NATION'S BUSINESS



First Line of Defense—PAGE 11

September · 1940

Every Business Needs This ARCTIC* DAYLIGHT



*ARCTIC DAYLIGHT: GUTH Fluorescent Fixtures deliver a maximum of cool, brilliant, illumination with a minimum of shadows and glare.



Guth

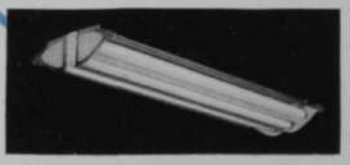
FLU-O-FLECTORS *and* TRU-CO-LITES

Fluorescent Lighting at Peak Efficiency

For Offices, Factories, Stores, Etc.

Fluorescent Lighting in GUTH FLU-O-FLECTOR and TRU-CO-LITE Fixtures gives you *much more* illumination, *much better* illumination, of an actual daylight quality. These scientifically designed Fixtures are enhanced by the famous ALZAK Process to render peak efficiency in Fluorescent illumination.

Offices, factories, and stores everywhere are using GUTH Fluorescent Fixtures to help speed work and boost sales. Your business, too, needs this modern, efficient equipment!



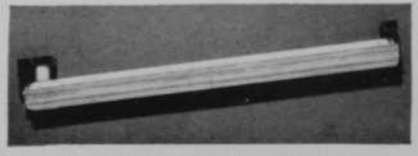
Beautifully Designed

GUTH Fluorescent Fixtures are smart in appearance—give an added touch of beauty to offices and stores.



Easy to Maintain

The ALZAK Reflectors in GUTH Fixtures may be cleaned by washing with soap and water. In the GUTH FLU-O-FLECTOR, the Reflector is easily removed from the Fixture for cleaning on the floor or at the bench. That's safety, plus time saving, plus better cleaning!



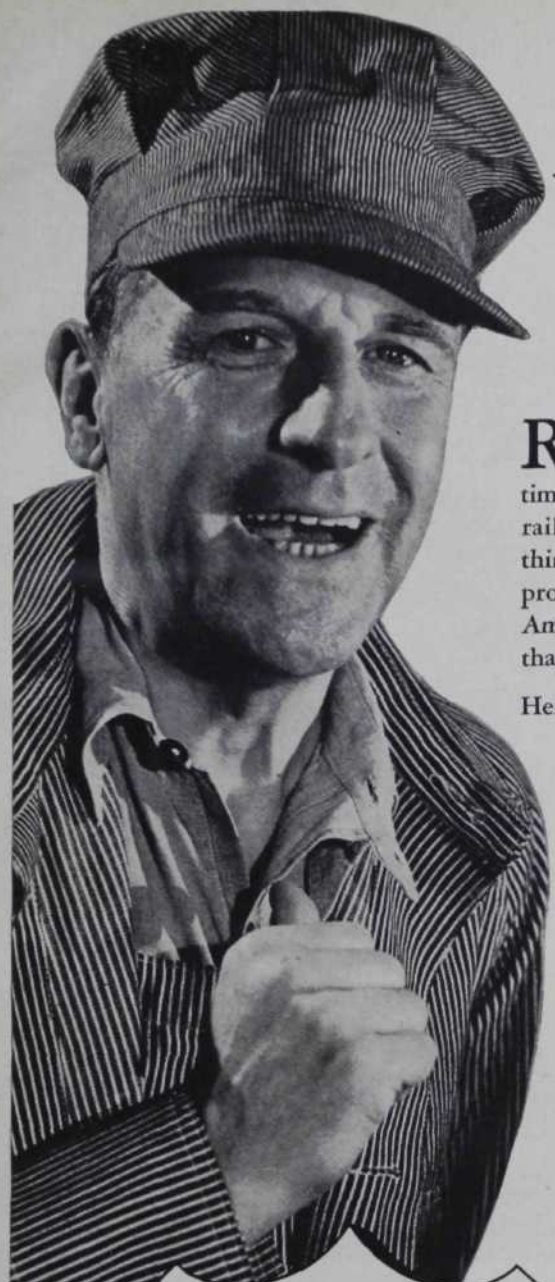
"P.F.C's" Plastic Diffusers

For maximum satisfaction with any make of Fluorescent Lamps, use the new GUTH "P-F-C's." These plastic Diffusers snap on and off the lamp easily—reduce the glare of the bare lamp—give a soft, pleasing illumination that's extra easy on the eyes. Available in 5 colors, "P-F-C's" are decorative as well as scientifically practical.

Our Engineering Department will be glad to prepare a detailed plan for installing GUTH Fluorescent Fixtures in your business, without obligation to you. For full information, please write us on your business stationery, telling us whether you are interested in Fluorescent Lighting for office, store, or factory use.

Guth

THE EDWIN F. GUTH COMPANY • • • ST. LOUIS, MO.



Let me tell you something about *Preparedness*

RAILROADS may look about the same to you as they did at the time of the last World War, but any railroad man can tell you a lot of things have happened, a lot of improvements have been made to give America far better railroads today than it had then.

Here are two quick facts that size up the situation:

Freight train speed today averages nearly two-thirds faster.

And freight trains perform more than twice as much transportation service per hour as freight trains did then.

Behind these records are years of planning and hard work on the part of the railroads.

They've increased sidetrack mileage. They've enlarged terminal facilities. They've speeded up the handling of freight through yards. They've developed a vastly improved method of having cars on hand wherever and whenever they are needed. Their freight cars and locomotives are bigger and better than they were 20 years ago.

And they've met test after test without car shortage or delay.

From August to October, 1939, for example, the largest increase in business ever recorded in so short a period was handled so smoothly that most people never heard about it.

And they've got 50,000 more serviceable freight cars now than they had then.

All of which adds up to this simple fact—

In speed and operating efficiency the American railroads are at the highest peak in their history.

That's mighty good news for every American who wants to see this country of ours prepared to meet any emergency — because no other form of transportation can do the job that the railroads do.

They've certainly proved their ability to handle their job. To keep up the good work, and to do an even better job, all they need is a fair and equal treatment with other forms of transportation.

"See America" FOR $90

Start from your home town now on a Grand Circle Tour of the United States—east coast, west coast, border to border—go by one route, return by another—liberal stopovers—for $90 railroad fare in coaches—$135 in Pullmans (plus $45 for one or two passengers in a lower berth).

NOW—TRAVEL ON CREDIT
See your local ticket agent

ASSOCIATION OF
AMERICAN RAILROADS
WASHINGTON, D. C.

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Centrifugally Cast . . . Certainly!
But of COPPER!

NO, FAIRBANKS-MORSE is not the only electric-motor builder who casts rotor and squirrel cage winding into one piece centrifugally.

But, only Fairbanks-Morse makes a centrifugally cast rotor with the winding of COPPER.

Of course it's more difficult. It took a great deal of time and money to learn how to perfect the means of production.

But it makes a better motor because copper makes a better winding.

Copper has better electrical conductivity. *Copper* has better thermal characteristics.

Hence, the Fairbanks-Morse Motor with centrifugally cast, *one-piece* COPPER rotor winding is more capable of withstanding constant plugging and reversing. It gives added years of trouble-free service.

If you use motors, *this* motor is worth your detailed investigation and, if you like—comparison.

Write Fairbanks, Morse & Co., 600 S. Michigan Ave., Chicago, Illinois. Branches and service stations throughout the United States and Canada.

7780-EA40.154

Copperspun

FAIRBANKS·MORSE MOTORS

DIESEL ENGINES ELECTRICAL MACHINERY RAILROAD EQUIPMENT WASHERS-IRONERS STOKERS
PUMPS FAIRBANKS SCALES WATER SYSTEMS FARM EQUIPMENT AIR CONDITIONERS

"It Gets You There Refreshed..."



Says

Mr. F. Gladden Searle

Vice-President in Charge of Sales of the Continental Can Company

•

"I myself travel over 50,000 miles a year on an average," says Mr. Searle. "All our executives and salesmen, together, probably travel several million miles in the period of a year.

"Much of this mileage on trips over 250 miles is by Pullman.

"As Pullman enables you to travel at night, you gain valuable time. You get there refreshed, and ready to 'hit the line' next day."

Business Executives Acclaim Many Advantages of Pullman for Today's Travel Needs!

"Another advantage of Pullman travel," says Mr. Searle, "is that it enables you to make out reports or do any other work you may not have had an opportunity to finish before you left."

But, in our interview, Mr. Searle primarily stressed the relaxation Pullman makes possible, the chance to get a good night's sleep, and the very great importance of that in business.

He also stressed the very important fact that you can take the luggage you need. When you consider the 150 pounds you are allowed to check free in the baggage car, in addition to the "personal" luggage in your berth or room, you will see this is an important business advantage . . . one you should not ignore!

Everywhere, we find, business executives are stressing the importance of going by Pullman.

If you want to get maximum efficiency out of your men, why not suggest that they go that way? Why not conserve your own energies more fully, by going by Pullman?

Pullman's dependability, *in any kind of weather*, is another outstanding asset that you will appreciate.



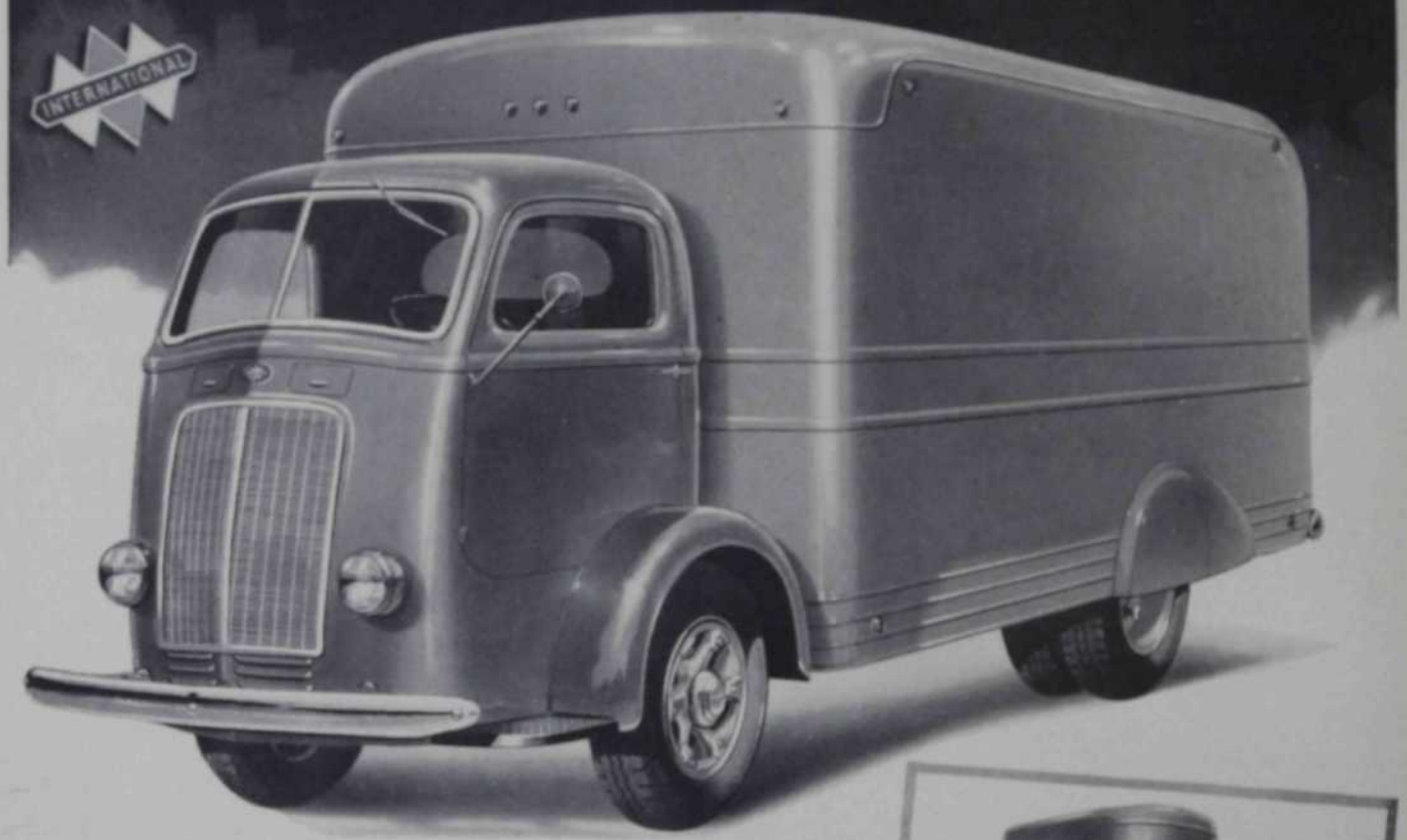
Your business efficiency is conserved by a good night's sleep. That's why Pullman holds such appeal for business men. When you step off a Pullman you are ready to tackle your hardest customer on equal terms!

Pullman

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FOR "PLUS" COMFORT

NOW *a Full Line* OF CAB-OVER-ENGINE INTERNATIONALS!



Here's the New Model D-400

You've always wanted an *in-between* capacity, real cab-over-engine truck.

Well, here it is—International's brand-new D-400 — styled to the minute, incorporating ideas from both smaller and bigger models in the line, to make *the best all-around traffic-type job on the street.*

Like all c. o. e. Internationals, the D-400 keeps its perfectly insulated engine *under the seat.* The engine is completely accessible and readily serviced. Load distribution is the ideal ½-½, balanced on front and rear axles and all four wheels.

The driver of this handsome truck gets all the breaks that make for efficient, safe operation. The cab provides wide visibility, perfect ventilation, nicely placed controls, and a comfortable adjustable seat. Brakes are hydraulic. Behind the driver is *maximum-load space and short-wheelbase maneuverability.*

Yes sir, cab-over-engine design solves the "tight-hauling" problem ... And now you can go *completely* INTERNATIONAL in c. o. e. models. This new D-400 fits in the broad middle range between the very popular D-300 (13,200 lb. g. v. w.) and the beautiful heavy-duty D-500 and DR-700 (18,800 lb. and 26,900 lb. g. v. w.). Tell the International dealer or branch you want to *"see and drive the new Model D-400!"*



SURPRISING UTILITY!

The International D-400 is perfectly adaptable to MANY body and load variations. Four are shown here. Gross weight rating is 16,200 lb. And you can have the 2-speed-axle DS-400, with its extra-high ratio for economical *speed* and its extra-low ratio for economical *power.*



Rely on International ALL-TRUCK Trucks. In addition to the cab-over-engine sizes, the line includes standard chassis from ½-ton light-delivery trucks to big 6-wheelers.



INTERNATIONAL HARVESTER COMPANY
180 North Michigan Avenue Chicago, Illinois

INTERNATIONAL TRUCKS

Shake Hands with Our Contributors

IN a nation unaccustomed to maintaining a huge armaments industry, the first task in preparing an army for action is to find the means for providing that army with fighting tools and assure a supply of trained men to keep those tools in operating order. It is no simple job to transfer men who have been making locomotives, automobiles, plows, washing machines, watches and other peace time products into skilled artizans who can produce guns, tanks and ammunition with facility.

Even if the change could be made by simply transferring men from one job to another it would still be difficult to supply sufficient military equipment according to competent observers because there are not enough skilled workmen in the mechanical trades to staff the plants needed for defense production.

Edward S. Cowdrick, well known to NATION'S BUSINESS readers as a contributor of articles on labor relations, examines this vital phase of national defense and calls attention to governmental barricades that might be removed in order to facilitate quick action along the factory front.

David J. Guy is a hydro-electric engineer on the staff of the Natural Resources Department of the Chamber of Commerce of the United States. His past experience includes work with the Federal Power Commission and Stone & Webster.

Arthur R. Maas, a former college professor, started in business manufacturing photographic chemicals during the first world war with a second-hand bath tub as his principal piece of equipment. Later he saw other opportunities to make chemicals that brought him into direct competition with large Eastern companies. Today he welcomes competition from the largest organizations in his industry.

O. A. Fitzgerald is university editor of the University of Idaho and worked closely with officials of the Frozen Foods Laboratory at Seattle during preparation of his article.

Oren Stephens, Sunday editor of the Arkansas Democrat, Little Rock, says he was "fed up" with articles on the youth problem and decided to check up on his former college classmates. It seems that they have done pretty well.

Jo Chamberlin is a free lance writer formerly associated with Scribner's magazine. NATION'S BUSINESS readers will remember him as author of articles on remunerative hobbies and the business end of movie making.

O. K. Armstrong, who specializes on articles dealing with governmental affairs and tax questions, reveals the concern in various communities to check the drift toward federal bureaucratic government.

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NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE U. S.

VOLUME 28 **Merle Thorpe, Editor & Publisher** NUMBER 9

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"TODAY I'll be in Boston . . . Baltimore . . . Chicago . . . Omaha . . . and points west . . . BUT I'll be home tonight to put you to bed!"



That's telephone traveling!

Long Distance multiplies a man's ability to be many places in the same day.

He can reach any town, anywhere, in a minute and a half (average).

He can go direct to the right man, without a long lobby-wait.

He can get facts and give them, in friendly fashion.

He can adjust a complaint, make an appointment, settle an account, or follow up a promising lead.

Long Distance saves days and dollars for many types of business. It is fast, adaptable, *definite*. Try it and *see!*

BELL SYSTEM



ON THE *Receiving End*

The receiver stands poised, tense, alert, with eyes on the ball. He's expecting "fast service" NOW! Users of coal for domestic purposes, and retail dealers who supply their needs, can expect the same kind of service when specifying Fuel Satisfaction—the unexcelled coal mined along the Norfolk and Western Railway. Fuel Satisfaction is ideal for domestic as well as industrial and special purposes. It produces satisfactory, even heat, is clean-burning and leaves a minimum of ash or waste.

For complete information about this economical, dependable coal, telephone or write: Coal Traffic Department, Roanoke, Va., or any of the railway's Coal Bureaus located at the following addresses: 833 Chamber of Commerce Building, Boston; 819 Marquette Building, Chicago; 904 Dixie Terminal Building, Cincinnati; 1819 Union Commerce Building, Cleveland; 1740 Book Building, Detroit; 1105 Reynolds Building, Winston-Salem; or any representative of the railway's Freight Traffic Department.



NORFOLK and WESTERN RAILWAY

CARRIER OF FUEL SATISFACTION

COPR. 1940 N. & W. RY.

Through the EDITOR'S SPECS

Text for the Times

BUSINESS men built this nation, not politicians, and business men will save it if given the opportunity.

—EMMETT F. CONNELY, *President of the Investment Bankers Association*

Ingratitude

DURING the recent torrid weather many of the Government offices in Washington have been closing at noon and permitting employees to go home—or to movies, golf or baseball.

Liberal government, benevolent employer! Not so to the president of the American Federation of Government Employees.

He demands a uniform policy of workless hot afternoons. The Department of Agriculture has such a policy, he points out. Work is automatically suspended and employees dismissed whenever the "effective temperature" (combining humidity with thermometer reading) reaches 84 degrees. That limit is too high, declares the AFGE head.

He should try circulating a petition for redress and get all the working people in Phoenix, Ariz., and El Centro, Calif., to sign it. Kansas and Oklahoma harvest hands, too, would no doubt be sympathetic with the poor wage slaves who have to work under a fan in a Washington office from 9 to 4:30.

Found wanting

THE London *Economist* charges British war inefficiency in considerable part to what it calls a feudal organization of business which transformed the trade associations and confederations into a favored instrumentality of the State.

This set-up has resulted in a philosophy of high profit margins and low turnover. In conjunction with a government-controlled artificially high wage policy it has raised the level of British costs to the highest in the world. Inevitable that the system should degenerate into an economy of scarcity—an evil thing for either war or peace. "The existing rings have failed to produce the goods," the *Economist* bluntly charges.

It will be well for Americans to note that this is precisely the course so lustily advocated for America by one wing of the reformers and actually sold to a formidable faction of American business.

Higher prices, higher wages, a policy of scarcity, low interest rates, higher taxes and deficits thus decreasing activity in developing new products and expanding old ones, labor conflicts—could there be a better formula designed to make a nation unprepared?

Operation successful, but . . .

OPTIMISM sings jubilantly in the progress report of *Union Labor Record* on a strike at the Springfield (Mo.) Auto Works.

A labor organizer is quoted as bragging that his union's campaign against the plant "has been very effective, as there is a noticeable decline in business."

A strange conception of "effectiveness."

When will workers again recognize that labor's real friends are more concerned with creating than with destroying jobs?

Back to first principles

THIS country is frequently spoken of as a democracy and yet the men who established our government made a very marked distinction between a "republic" and a "democracy," gave a clear definition of each term and said they had founded a republic. The most serious of all modern dangers to the Constitution, and therefore to the American people, are traceable to the neglect of these distinctions.—Senator Arthur H. Vandenberg in "If Hamilton Were Here Today"

Watching the ramparts

A FRONT-PAGE story with photos in the New York *Herald-Tribune* took three columns to tell of a mysterious "G" sign in the window of Dr. Gerhart Westrick, German commercial agent living at Scarsdale, N. Y. Dark spy

...let's buy the pipe that saves taxes



THE veteran engineer and the young draftsman both know that the taxpayer's dollar is conserved by specifying cast iron pipe for water mains. Economical operation of a water supply system depends largely on the useful life of its mains. The useful life of cast iron pipe is more than a century.





(Unretouched photograph of a 110 year-old cast iron water main in Richmond, Va.)

Cast iron pipe has a *proved* useful life at least double the *estimated* life of other pipe used for water, gas and sewer mains. It is the only ferrous metal pipe, practicable for such mains, that rust does not destroy. Sizes from 1¼ to 84 inches.

PUBLIC TAX SAVER NUMBER ONE

CAST IRON PIPE

THE CAST IRON PIPE RESEARCH ASS'N, T. F. WOLFE, RESEARCH ENGINEER, PEOPLES GAS BLDG., CHICAGO

activities suggested. Next day the "G" was revealed as a signal to the Good Humor ice cream man to stop.

SECRETARY of War Stimson announces: "81 Foreign Agents Held at Canal Zone." Followed a correction a day later. Sorry, said the War Department, they were aliens, not agents.

A READER writes one of the New York dailies suggesting that "The Star Spangled Banner" be played at the beginning and end of every theatre and movie performance.

PRESIDENT Roosevelt announces plans to call out women as well as men for a year's service to the Government.

MEMBERS of Jehovah's Witnesses, a religious sect, were beaten at Litchfield, Ill., until they kissed the flag. Sixteen of their automobiles were seized, taken to a vacant lot, overturned and smashed. In Rawlins, Wyo., several men and women, also belonging to an unorthodox sect, were dragged from their homes by mobs and compelled to march through the streets carrying American flags.

Duly considered

LAST fall a creamery in a Missouri town notified the Unemployment Compensation Commission that the business had been sold to another company and that after December 1 the old management no longer would be responsible for remitting its Social Security payroll tax. The matter was forgotten until in June, 1940, when the former owner received this letter:

> Your application for termination of coverage, dated November 27, 1939, has been considered by the Unemployment Compensation Commission of Missouri and termination was denied for the following reason: There were at least 13 different days, each day being in a different week within the calendar year 1939, in which you employed eight or more individuals in employment subject to this act.
>
> It will therefore be necessary for you to continue to file reports and pay contributions on all wages payable within the calendar year 1940 and thereafter until coverage has been terminated in accordance with Section 7 of the Missouri Unemployment Compensation Law.

We asked the creamery man what he did about it, and received an irreverent answer. He thought it best to "consider" the epistle for the customary seven months, as it would take him that long to cool off.

Dog-in-the-manger economics

THIS idea of having everybody get poor so nobody can get rich is not going to work in the long run.—William S. Knudsen, *president of General Motors*

Mr. Knudsen's homely epigram

goes to the root of the matter. The object of social levellers has always been directed more at pulling down the successful than lifting up the unsuccessful. This hate and envy of the man who has acquired a competence extend also to the man of education and culture. To any genuine collectivist, the fruits of ability, hard work and study are "privilege." "Social gainers" know nothing of addition and multiplication; their arithmetic extends only to subtraction and division.

Reaping the whirlwind

A DECADE of agitation among negroes by the Social Justice evangelists seems to be bearing forbidden fruit. More and more negro leaders are trying to tie the fortunes of their race to the radical upsurge of the workers preached by Rex Tugwell, Aubrey Williams and their kind. Such organizations as the Workers Alliance, the Southern Tenant Farmers Union and the National Negro Congress have been busy inspiring class consciousness in the race.

An ominous voice of this new rebellion is a recent best seller, "Native Son," by the negro novelist, Richard Wright. The theme of the book is an apology for a career of crime by a negro because of social disadvantages imposed on a subject race. Reviewing it in the *Atlantic Monthly,* David Cohn asserted that the negro problem, like all complicated social problems, is insoluble. He meant that no social formula will solve it, that it will yield only to the healing influence of time.

Angered by Cohn's review, author Wright answered militantly that he accepts the Russian solution; he wants complete political and social equality *now*. He continued:

> I urge my race to become strong through alliances, by joining in common cause with other oppressed groups (and there are a lot of them in America). I urge them to master the technique of political, social and economic struggle and cast their lot with the millions in the world today who are fighting for freedom, crossing national and racial boundaries if necessary.

That, of course, is a call to revolution. Those in both races who have been gratified by the gradual passing of the worst forms of race prejudice deplore such outbursts. They hurt none so much as those they are designed to help.

August reflections

SCHOPENHAUER was born a century too soon. This summer of 1940 would have confirmed his conviction that this planet is a sorry place to abide. . . .

British food experts predict the worst food famine in Europe since the



• YOUR EYES see one. But there are scores, and the effectiveness of this one man is multiplied thereby! The roster of individuals "in the picture" of every Hartford-inspected engine, boiler, turbine, pressure vessel or electric generator stretches clear back to the headquarters of the largest organization specializing exclusively in power-plant insurance.

Highly trained supervisors guide and aid the work of Hartford's hundreds of carefully schooled inspectors. The efficiency of this force is maintained by a home-office corps of engineers devoted solely to the problems involved in the prevention of power-plant accidents.

Supporting both field and engineering staffs is an executive council with the priceless heritage of their Company's 74 years of experience and financial stability which has weathered every depression and met every obligation.

Thus is Hartford Steam Boiler equipped to render its policyholders the doubly-sound protection of: *Power-plant inspection by power-plant engineers; power-plant insurance by the oldest and one of the strongest companies of its kind in the world.* Ask your agent or broker for further details. No obligation.

• *Hartford Steam Boiler is entrusted with a preponderant portion of America's insured power equipment; and shop-inspects more than 90% of the nation's industrial-power boilers during their construction.*

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

HARTFORD, CONNECTICUT



A STURDY YOUTH IS AMERICA'S HOPE

Sealtest contributes to child health by constant laboratory supervision of milk and other dairy products

No food is more important to sturdy growth than fresh, wholesome milk. And—no other food requires more careful supervision to preserve its purity.

The Sealtest System of Laboratory Protection strives to safeguard the purity of this vital food. The Sealtest System is made up of a network of more than one hundred laboratories—leading food scientists—scores of laboratory workers.

In the dairy plants of Sealtest member-companies every step in the processing of Sealtest-Supervised Milk is watched over by these Sealtest "Men in White".

To thousands of communities Sealtest-Supervised Milk brings added assurance of quality and purity. Give *your* family the benefit of Sealtest Supervision. Look for the milk in *your* community which bears the red-and-white Sealtest Symbol.



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Middle Ages. Germany and Britain each cheerfully prognosticates wholesale starvation for the other. . . .

A geologist tells the American Association for the Advancement of Science that the worst drought cycle in 2,000 years impends and will last until 1990. . . .

War's refugees roam homeless over the face of the earth, scourged by modern Attilas and Genserics. . . .

The temperature in Washington is 99, "with no relief in sight," and in Brooklyn the Dodgers, whose star has been shining so brightly, are now eight games behind the Reds. . . .

The Schopenhauerian answer would be, "Well, what did you expect?"

Note on purchasing power

DON'T let any economic illiterate tell you that money in savings banks is hoarded, refrigerated purchasing power and that saving is bad for the national economy.

We are glad to see that point reemphasized by our friend Merryle S. Rukeyser in his latest book, "Financial Security in a Changing World." Such savings, he says, have already been invested—which means put to work—in tools for industry, equipment for railroads and public utilities, homes, other durable comfort goods and public works.

If more encouragement had been given to that kind of spending and less to other forms demanded by the short-cut economists we probably would be again enjoying some of that vulgar prosperity of the late 'twenties.

Disconcerting discovery

IF you were a statesman who had talked a bushel of nonsense several years ago about the munitions barons and taking the profits out of war and conscripting wealth; and if you now earnestly desired to organize industry on an effective defense preparation program; and if you suddenly discovered that industry, like workmen, farmers, politicians and everybody else, functions best when it works under a reward incentive system; how could you square your passionate principles with the realities of the situation and not have to admit the error of your ways?

A solution to this conundrum will be gratefully received and properly rewarded in Washington. Apply at either end of Pennsylvania Avenue.

On being in the mode

A CRITICAL reader writes that our republican form of government has become "inadequate" under conditions of modern society and that the American political system is "outmoded."

It happened that only a few days before we received this letter the papers had carried extended excerpts from a speech by Getulio Vargas, the Fascist-inclined President of Brazil. "Political democracy is replaced by economic democracy," opined Señor Vargas. The only régimes that will subsist, he added, are those that "offer social justice and opportunities in the fight for equality. . . . Old systems and antiquated formulas have entered a decline."

How familiar that chatter is becoming to Americans!

Before we discard all time-tried old political institutions and traditions we might profitably recall that Lenin and Trotsky found the Kerensky republic inadequate in Russia. It didn't offer enough social justice. Herr Hitler regarded not only political parties but also labor unions and parliaments as outmoded. Elections ceased to be referenda; they would only hamper a willing and perpetual Fuehrer.

No sale for cartels

AS we predicted last month, the President's International Cartel chicken was not hatched at the Havana Conference. Probably Secretary Hull concluded that it didn't jibe with his policy of "open trade, freed from the obstruction and regimentation of excessive restrictions . . . or regional autarchy."

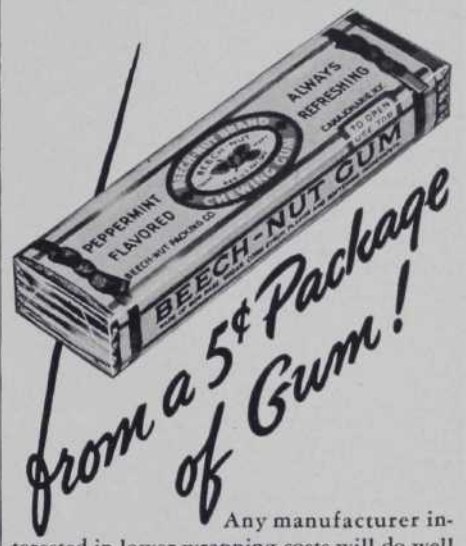
With our own commodity surplus still weighing heavily it was a fantasy to hope that we could transfer to American shoulders the surplus marketing problems of 20 other countries. Our observer at Havana states that the economic consequences of the conference, if any, are likely to be unfortunate. Our Latin-American brothers had been led by big preconference talk and by the executive request to Congress for power to lend them through the Export-Import Bank to believe that their delegates would come home with Yankee financial assistance in the bag.

And the Germans didn't even try to disrupt the conference with diplomatic fifth columns! In fact, they gave no indication of being aware that a conference was being held.

First line of defense

BEFORE the doughboys take the field, even before manufacturers start pouring out their equipment, come the machine tools which make that equipment. This month's cover picture (from Warner & Swasey) calls attention to the job being so admirably done by machine tool builders. Skilled labor, no less than its employers, is a fundamental resource for putting the nation in fighting trim as Mr. Cowdrick reveals in his article beginning on page 15.

You can learn a lot about SAVING MONEY



Any manufacturer interested in lower wrapping costs will do well to ponder a package of gum . . . No simple wrapping job, when you consider that each stick is wrapped in foil and band, and the five sticks enclosed in another band, plus an outer "Cellophane" wrap with an easy-opening tape! Yet, thanks to our modern wrapping machines*, a package of gum still sells for only a nickel — the same low price you paid when you were a youngster!

The Package Machinery Company has "thrived" on such tough wrapping problems ever since the earliest days of machine wrapping. Over a quarter century of experience, covering virtually every industry in which packaged goods are produced, has taught us *where to look* for the necessary savings, and has helped develop the *ingenuity* to achieve them.

The constant quest for utmost economy is reflected in every machine in our line . . . Whether you invest in a standard-type carton wrapping machine, or a special machine for a particular purpose, you will find that every detail of its design and construction has been planned with LOW OPERATING COST in mind. This is but one reason why over 80% of all machine-wrapped products in the country are wrapped on our machines.

GO AFTER SAVINGS NOW

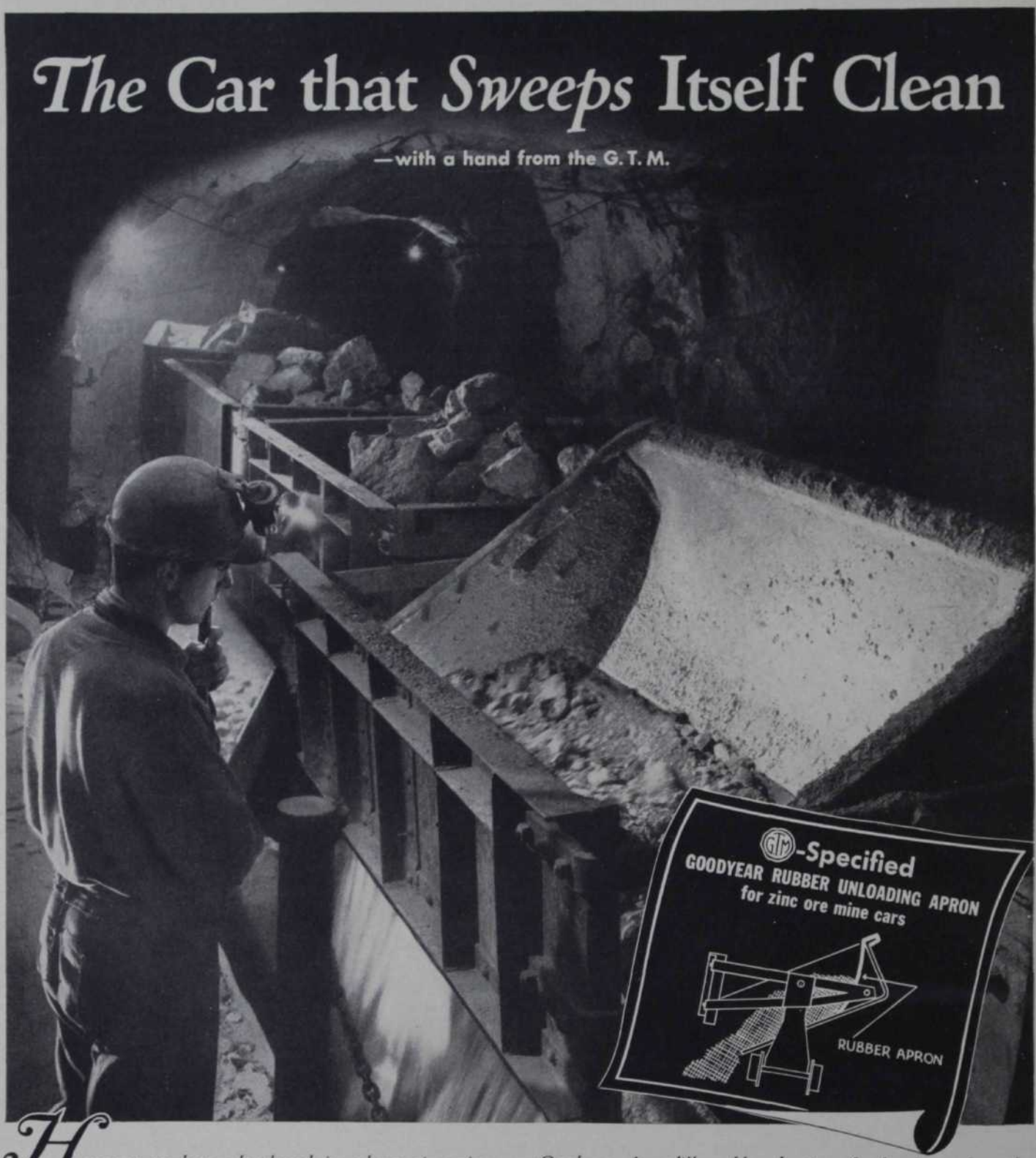
We will gladly examine your package and study your present wrapping methods. Our recommendations involve no obligation. Get in touch with our nearest office.

*Our chewing gum wrapping machine turns out packages at the rate of 600 sticks per minute.

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts
New York Chicago Cleveland Los Angeles Toronto

The Car that *Sweeps* Itself Clean

—with a hand from the G. T. M.



Here you see how a bottleneck in a large zinc mine was broken, through an ingenious application of rubber by the G. T. M.— Goodyear Technical Man. Dump cars that wouldn't dump were the trouble. Wet, soggy ore was the reason. Ore stuck so tenaciously inside the cars, particularly in the lower back corner, that a third or more of every load had to be laboriously scraped out by hand— a slow costly operation. Since wet ore does not adhere to rubber, the G. T. M.'s answer to this sticker was to line the back of the cars with an apron of tough, smooth Goodyear Armadillo rubber-sheeting, firmly clamped at the top, free to swing at the bottom. Now, when a car dumps, the rubber apron swings forward, sweeping the ore before it and emptying the load in a jiffy. *This installation is typical of scores of new uses of rubber developed by the G. T. M. to expedite the handling of all types of materials from zinc to acids. To consult him on your problem, write Goodyear, Akron, Ohio, or Los Angeles, California — or phone the nearest Goodyear Mechanical Rubber Goods Distributor.*

THE GREATEST NAME IN RUBBER

GOODYEAR

Now Is the Time for All Good Men—

COME, THERE is a job to be done.

The job is to make clothing and radios and automobiles, construct houses and ships, tanks and bombing planes. If possible, the making and distribution of the necessities and conveniences of life should not diminish lest standards of living fall. Building walls of defense against foreign foes calls for tremendous additional hours of work; these hours should be "additional" and not subtracted from those now employed in peace-time economy.

What, then, are the essentials of getting a job done? Men to work, men to furnish the tools, men to plan and coordinate the operation. Men, money, management. But there is a greater essential; the spirit back of this partnership.

A free enterprise is one where each factor is free to bargain, give and take, resolve differences, and finally reach a working basis. At times, such efforts result in conflict, entailing stoppage of work, physical combat.

But, on the whole, in America, this free interchange of opinion has moved 90 per cent of our jobs forward with enthusiastic teamwork of the three partners; the limelight on the exceptions to the contrary.

The man who contributed the hand-work; the man who contributed the tools; the manager who brought the two together in a working arrangement, all have fared immeasurably better than under any system where political forces dominated and attempted to lay down formulas of teamwork for a thousand different locales. As hazards of operation have decreased, money has worked for less and less; labor has received a greater and greater share; managers, up from the ranks, are seldom the owners of the tools, permitting them to represent both labor and capital with an eye singly to getting the job done.

Today, the job to be done faces hazards, new to America. Political agencies attempt to settle the normal human disputes of these three partners by bureaucratic rule. Unskilled in the production job, they prepare text-books that are as Sanscrit to the work-a-day world. They, being human, are biased. They, being political, are partisan. Their contribution therefore contributes nothing to the spirit of team-play. The job suffers. A shot-gun wedding seldom if ever creates a successful team. More often its fruit is a child of discord.

Political control goes further than relations between workers and managers. It now seeks to coerce the man who furnishes the tools with savings from his past labors, to hazard those savings in the name of patriotism. Build war plants, say our political leaders; the hire of your dollars will be restricted and your plants may be worthless through no fault of your own, if the government finishes its job or calls the enterprise off!

Common sense should convince the least intelligent that that is no way to get a job done, unless—unless we are ready to go the whole socialistic, fascist way, conscript all three factors, men, management, money, and ruthlessly, with bayonets, force each to yield all, including freedom of speech and labor and property, to the job of war-making. We should then fasten upon ourselves the very system against which the nation is preparing itself on a gigantic scale to oppose. That would be the depth of national stultification. We would build a wooden horse within our own walls, and by our own labor.

We can be neither flesh nor fowl. There can be no half-way measures. We work today neither under free enterprise nor absolute State control.

There is a job to be done, the like of which has never before faced a free people. Wisdom, it seems, would counsel the removal of those political controls which prevent our returning again to the American plan whereby workers—men, management, machines—without political meddling, organize whole-heartedly to do the job. Problems arising from the nature of man himself will always be with us; our present distress is the fallacy that the long arm of the federal Government can solve those problems better than they can be solved on the home ground.

Come, there is a job to be done—together!

Merle Thorpe


Preventing toothaches for industry!
Gears, like horses, show their age in their teeth. But Texaco offers ways to increase gear life with savings in power and shut-down losses as well. Texaco's line of gear lubricants... so outstandingly efficient that they are preferred in thousands of industrial plants... plus Texaco engineering service and quick deliveries from more than 2300 Texaco supply points...are saving money for industry every day.
THE TEXAS COMPANY
—in all 48 States
TEXACO
REG. T.M.

Legal Brakes on National Defense

By EDWARD S. COWDRICK



We can't run 100 yards in ten seconds wearing rubber boots

EXPECTATION that nation's industrial management can line up plant facilities, materials, and workers for immediate volume output of defense items is doomed to disappointment. Time required to convert appropriations into weapons, munitions and equipment must be figured in schedules of months and years rather than days and weeks. As business leaders and government officials grapple with tough problems of financing necessary plant expansion, shop retooling, priority, and standardization of designs, regulatory legislation affecting peacetime production became an ominous factor complicating maximum response to preparedness spur. How laws now in effect are qualifying the speed of the industrial wheels is told here.

BY GOVERNMENT, public and press, American industry is being told that its big job in the next few years is to aid in national defense. It is being exhorted to turn out the last possible ounce of production and to attain the last split second of speed. As always in the past, industry is eager to cooperate in this national effort. It is stepping up its production schedules and enlarging its capacity. In this effort, however, it finds itself hampered by restrictive legislation and regulations which threaten to impair efficiency and put brakes on production. Of course, industry can operate in spite of these handicaps. An athlete can also run 100 yards in rubber boots, but he is not likely to do it in ten seconds.

Burdensome restrictions upon industry are imposed by numerous and varied federal and state laws and administrative regulations. For our present purpose we are concerned only with those relating to labor. Even this part of the field is large and complex. Wholly aside from the restrictions imposed by some labor unions, we find a long list of statutes which threaten to hamper industrial efficiency as soon as the program of national defense calls for full speed ahead. Typical of these statutes are:

The Fair Labor Standards Act of 1938 (wage-hour law)
The Public Contracts Act (Walsh-Healey law)
The National Labor Relations Act (Wagner law)

The wage-hour law was widely heralded as an effort to "fix a floor for wages and a ceiling for working time," and to do away with sweat shop conditions wherever they still survived in American industry. In addition to setting minimum wage levels, with which we are not immediately concerned, it fixed limits of weekly working time which can be exceeded only at the cost of punitive overtime pay. The original limit was 44 hours.

Under the terms of the law, this later was reduced to 42 hours, and next

month it is to be reduced again to 40 hours.

The Walsh-Healey law applies to work done under government contracts. It prohibits child labor and convict labor, authorizes the Secretary of Labor to set minimum wages for specific industries, and requires overtime compensation for all work in excess of eight hours a day or 40 hours a week.

From the time of their first introduction as bills in Congress, the wage-hour law and the Walsh-Healey law were criticized on the ground that they would hold back production and limit efficiency. That is precisely what they threaten to do, in the opinion of some army and navy officials and many employers, as soon as industrial operations toward national defense get fully under way. It is pointed out that, in some industries and some localities, a shortage of skilled workmen already exists and that the demand for labor is certain to increase with the speeding up of the defense program. To limit the services of these workmen to 40 hours a week, with the alternative of costly overtime pay, will, it is argued, slow up production, delay the output of war necessities, and possibly frustrate the whole scheme of military preparedness.

Disputes on labor shortage

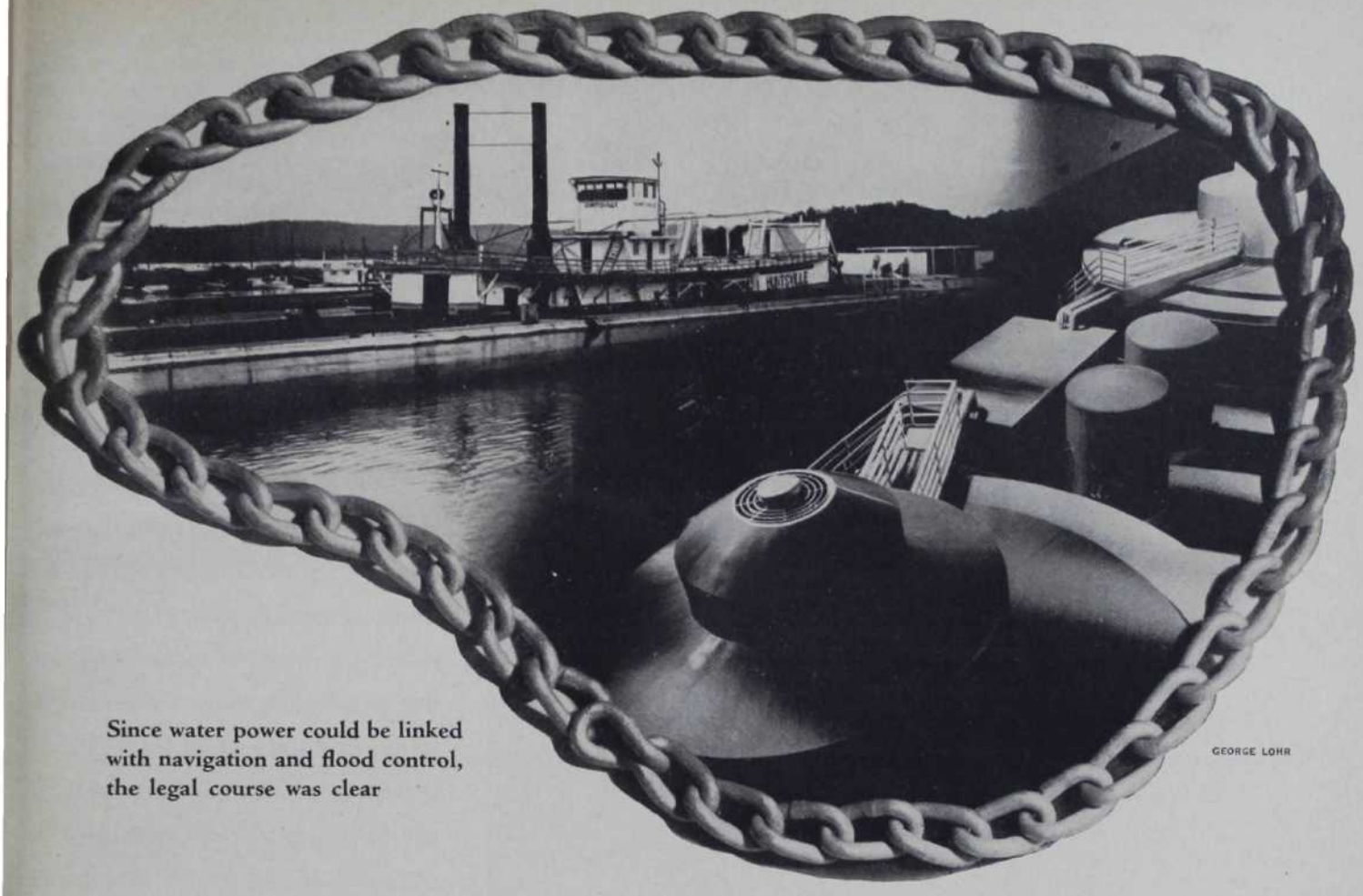
TO THESE general objections to limitation of working time, labor unions and the Administration have responded with vigorous denials. They have asserted that there is no labor shortage, except possibly in a few localities, and that, when any general scarcity appears, there will be plenty of time to talk about relaxing the regulations. They add that nothing in the wage-hour law or the Walsh-Healey law prevents an employer from working his men as many hours as he wants to, provided he pays for the extra hours at the rate of time and a half. The President himself, in press conferences, has told employers to think up methods of getting the unemployed off the relief rolls before they come to him with pleas to lengthen working time. Labor unions have proclaimed that they have enough jobless members to fill any visible requirements for additional workers.

It is no part of the purpose here to enter into a battle of statistics in an effort to prove or disprove the existence of a shortage of any kind of labor. There is credible testimony from employers that, in some localities and in some trades, a dearth of acceptable labor already exists. Classified advertising sections of newspapers corroborate this testimony. Late in July, the American Society of Tool Engineers, as the result of a survey of its membership, reported that a large percentage of the tool making industry already was inadequately staffed as to tool engineers, and that a still larger percentage was in need of expert mechanics. In this connection it is significant that both the Army and the Navy this summer announced civil service tests for various classes of skilled mechanics. If unions of skilled craftsmen really have competent and acceptable members who are out of work, there are

(Continued on page 82)



When they were first introduced, the wage-hour and Walsh-Healey laws were criticized as likely to hold up production and limit efficiency. That is what they are now doing



Since water power could be linked with navigation and flood control, the legal course was clear

GEORGE LOHR

T.V.A. Hydro Power Flunks Defense Test

By DAVID J. GUY

THE VALUE of a fire extinguisher is determined by its serviceability at the time the fire occurs. So with by-product water power. Its value depends upon its availability at the time a power demand occurs. Down in the Tennessee Valley we have a striking example of misplaced confidence in by-product water power.

Recent agitation for a $25,000,000 congressional appropriation, as the first bite into a sixty-five million dollar expansion program for TVA, including a steam generating plant, raises again the "cheap water power" by-product in its economic, as well as its political, ramifications.

The national defense emergency turned the spotlight on T.V.A. Bauxite ore for aluminum, available to the Tennessee Valley, cannot be reduced without power. The Aluminum Company of America, which desires to expand its plant in the Eastern end of the Valley, is already a large T.V.A. customer and desires more power to meet national defense demands. There is not enough "cheap by-product water power" to do the job, despite long and intensive official glorification of the hydro idea. Ergo, steam power to the rescue and T.V.A. and the country are to be saved. So runs the argument before congressional committees.

Since 1933 T.V.A. has spent about 300,000,000 taxpayer dollars in the development of water power, navigation, flood control, and national defense on the Tennessee River. Always navigation and flood control have been the ostensible primary objectives. One of the Authority's annual reports says:

> The Tennessee Valley Authority was directed by Congress to undertake the task of developing and controlling the Tennessee River system in the interest of navigation and flood control, two paramount national problems.

Another annual report says:

> Though power is not a primary object of the river development, it is a valuable product, inherent in the natural fall of the river and available at the dams through additional expenditure for power houses and generators.

Some of this power, we are told, would be used "for experiments in aiding the national defense" but "a very large surplus would remain," and this "surplus," this "by-product power" must not be "wasted" because "the power of the Tennessee River is the property of the people of the United States." Yes, "the power of falling water is a gift of God," but the price at which the federal Government has bestowed the indicated blessings amounts to a national defense problem and a national fiscal problem, each in its own right.

Saving the country's water power is not, and has never been, the fundamental issue underlying federal entrance into the power business. Water power has been used from the start as an entering wedge to socialized owner-



Federal participation in the electric business had its inception in the National Defense Act of 1916 under which a dam was built at Muscle Shoals

ship of electric power utilities. Because water power could be linked easily with navigation improvement, the legal course was clear. Charges of monopoly and exploitation were added excuse for federal development of the power by-product for commercial use.

Federal participation in the electric utility business had its inception at Muscle Shoals. There, under the National Defense Act of June 3, 1916, a water power dam was built "for the generation of electrical or other power, and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizer or other useful products."

After the Armistice in 1918, various schemes were proposed to use, or dispose of, the Muscle Shoals power facilities. The long years of bitter battle that finally ended in the creation of the Tennessee Valley Authority, May 18, 1933, needs no recapitulation here. Under the T.V.A., the Wilson Dam and power plant became the first electric utility property operated as such by the federal Government.

In promoting this federal electric utility enterprise, progress was found most practicable along indirect lines. The constitutional question of direct entrance into the power business was always present. The most plausible route was *via* navigation improvement. The federal Government has been improving rivers for navigation for many years. Many people think that river improvement for navigation purposes by the federal Government is stipulated in the Constitution. The navigation way always shows power as a by-product, and there was ample legal precedent for the sale of a by-product.

Until the current defense program got under way, T.V.A. adhered strictly to the navigation idea for its power authority. The only departure was the enforced purchase, *en bloc,* of Commonwealth and Southern electric utility properties in the T.V.A. area. These include steam generating capacity.

As a result of this navigation policy, T.V.A. has carved out for itself a wholly hydro power system in a region not naturally adapted to this single source for power. Streams in the southeastern and Piedmont area flow

AN appropriation of $25,000,000 for steam plant to augment Authority's generating facilities enlivens current debate of questions of public policy in utilities field. Fear of industrial bottlenecks came home to Government with need for additional power to produce aluminum required in plane manufacture. With private utilities maneuvered into withdrawal of service, T.V.A. power

through relatively narrow valleys that ordinarily do not afford the storage necessary for seasonal variations, both as regards rainfall and power demands. In other words, water power development throughout the region requires steam auxiliary.

In the 1927 report of the Army Engineers on "Tennessee River and Tributaries," provision was made for 793,200 kilowatts of "basing" steam power. The estimated cost of this steam power was $77,300,000. Long-standing practice of power companies in the area has demonstrated the necessity for, and the economy of, a steam-hydro set-up. Before the creation of the T.V.A. upset this normal development, the power capacity in the area was 40 per cent steam and 60 per cent hydro.

It is no surprise to experienced utility operators that T.V.A. lacks elasticity and dependability as a power utility, due to its lack of steam generating capacity. The fact is that the T.V.A. system, as developed, was never designed to operate under strain. It was developed with the assistance of public ownership ballyhoo and the old navigation ruse. T.V.A. has been building dams as fast as Congress would hand out authority and money. Always

the navigation nail was used to hang the new dam upon. As a result, T.V.A. is "dam poor," but it has neither the water, the storage capacity, nor the steam standby to meet a national emergency such as the present defense program presents.

Before T.V.A. disrupted normal development in that region, local power companies had ample spare capacity at all times because of their steam-hydro ratio. The records show this spare to have been around 60 to 70 per cent of peak demand on the larger

oversold, and Authority only source available to Alcoa, Tennessee, aluminum plant, Defense Advisory Commission members pressed Congress for money to boost output. Shortage is significant in view of establishment of T.V.A. as pet project of public ownership advocates, and Supreme Court approval in interest of navigation, flood control and national defense.

systems. The combined spare capacity in the T.V.A. region, as it was in 1930 before T.V.A. was created, was 46 per cent of peak. It is a fair presumption that, had the local companies been permitted to continue their normal development without legislative uncertainty and T.V.A. interference, the power situation in the Southeast today would be fully flexible and amply equipped to take care of national defense demands.

This situation is somewhat ironical. The President's National Power Policy Committtee, on which T.V.A. is represented, has been pointing an accusing finger at private utilities, asserting power shortages and "bottlenecks," all the while having in its own T.V.A. backyard the only real bottleneck in the country. This bottleneck presents a serious situation, according to the National Defense Committee representatives. T.V.A. is already loaded to capacity and has gone so far as to suggest the possibility of cancelling one of its contracts with the Aluminum Company. Since several tons of aluminum are needed per plane, this incident brought the T.V.A. power shortage forcefully to the attention of the Defense Committee. Taking on new loads, inviting industrialists into the T.V.A. area, and, at the same time, hanging all power expansion on the navigation nail is, to say the least, risky business.

T.V.A. has also grown up under the "cheap power" slogan. Even the courts use the term indiscriminately. T.V.A. can sell power at any price. There is no prohibition of its giving power away "for experimental purposes," just as it is invading the fertilizer market under the experimental ruse. T.V.A. is privileged to write off almost any amount of capital charges that it desires, charging these to flood control, navigation improvement, or national defense, as the circumstances seem to suggest. The local power customer undoubtedly gets the benefit, but the nation's taxpayers must meet the cost.

T.V.A. says it can sell cheap power. What T.V.A. can do, in the language of the market place, is to mark down the price, but the cost still remains. The whole cost is paid somewhere by somebody. It may be buried in increased taxes, it may be covered into increased national debt. You can't talk cost out of

(Continued on page 88)



T.V.A. can mark down the price of power but the cost still remains. It may be buried in increased taxation but somebody has to pay it

Let the Big

By ARTHUR R. MAAS

as told to James H. Collins



Mr. Maas doesn't worry about the "big fellows"



PHOTOS BY PAUL DORSEY

Hypo crystals are often hard and must be broken with a pick



Sacking trisodium phosphate water softener

OUR company ranks as small manufacturing, though we are not as small as we were. And, in getting where we are today, we have had to compete with the big fellows—the largest chemical corporations in the country.

Eighteen years ago, we started with four people in management, and not more than $25,000 capital. The exact amount is not known, because it was money we raised bit by bit, and spent almost as soon as we had it for this and that piece of secondhand equipment.

Now, we have much more than ten times as much invested in the business, of which $100,000 has been earned. Our big competitors have $10 for every one of ours.

At the start we were afraid of these big fellows. They had money, vast plants, and reputations.

Friends who heard of our plans for making one of the big fellows' products warned us that competition would be impossible.

"Why, they can come in here and sell for less than your costs, just to eliminate your competition!" our friends said. And it looked quite probable.

The big fellows would not need to come in—they were here already, with alert branch sales staffs, and abundant stocks in Los Angeles warehouses.

That was 18 years ago. The big fellows haven't eliminated us yet. Enlargements recently made in our plant lead us to believe that we are becoming rather big fellows ourselves. And we have learned to be unafraid of the big fellows, and not worry about them—in fact, we do a lot of business with them.

There are undoubtedly other small people in the same position as ourselves, at the start, who worry about the big fellows in their field.

There are better things to worry about—many of them things that worry the big fellows, too.

If I were advising myself now, from experience gained since 1928, I'd say

Fellows Be Your Smallest Worry

A COMPARATIVELY small chemical manufacturer who started with a bath tub as his first piece of equipment has no fear of the stiffest competition offered by large companies



Trisodium phosphate is stored and allowed to age before sacking

out of experience something like this:

"Maas, don't let your friends scare you about the large chemical companies back East—they are certainly not worrying about you."

MAAS 1928: "What, when they've just dropped prices a cent a pound! Do you mean to tell me that wasn't done to drive us out of business?"

MAAS 1940: "General business is bad, and it may be due to that, or increased consumption—or maybe the big fellows have found some more ways to reduce their manufacturing costs."

MAAS 1928: "But how can we manufacture so cheaply?"

MAAS 1940: "If you can't, then go out of business while you can save something. First be sure you can't lower your costs. Check up your process, your equipment, your materials. Costs are always coming down. If you're in step, you're all right. If you're not, then you don't render any economic service, and will be forced out of business eventually."

That would have sounded heartless



First customers were the movies who needed film developer when World War No. 1 cut off the supply



Mrs. Dwight, office manager, found new customers

to Maas 1928, but a dozen years of competition with the big fellows make you hard-boiled toward your business.

Building a small company

OUR manufacturing career divided into three periods.

The starting was very small, made by myself, as a consulting chemist, when the competition was with large companies, but not on price—it was a battle to demonstrate that I could make chemicals as good, and even better.

Then came our 1928 expansion into a field where competition was on price, a harder fight, but with larger prizes.

Finally, we are now entering a field where the battle is still on price, but we have made our reputation, and some things are a bit easier—finding capital for further growth, for instance.

In the first period, the banks never heard of us, except once, when we were in trouble—and they couldn't do anything to help us then.

In the second phase, the banks were interested—they said they would let us raise our own capital, and see how we came out.

Today, the banks are satisfied that we have the ability to stay in business against the largest competition, and capital is available for expansion.

The other day we paid for a switchboard in our new factory unit more money than our whole plant cost when we started originally—if we had possessed that much money then, we would have asked ourselves the classic question, "Why should we become manufacturers?"

To get our story straight, I will have to go back to the beginning, and talk about myself:

While I was still a boy in Los Angeles grammar school, family changes made it necessary to go to work, and my first job was in a drug store, at a dollar a week. Prescription compounding fascinated me, and led me to take a pharmacy degree at the University of California.

But, instead of getting a job behind a prescription counter, I became professor of pharmacy and toxicology at the University of Southern California, with time to study chemistry, in which I took a degree.

Still teaching, I did chemical work for a wholesale drug house, and for the city, county and federal governments, specializing in court evidence, civil and criminal.

This led to opening a little consulting laboratory, in 1913, when Los Angeles had few industries—to most people here at that time, a chemist was an ore assayer.

Then, the World War. Movies were beginning to be important. Hollywood was not yet heard of. War cut off German photographic chemicals. D. W. Griffith needed a developer for his picture "Intolerance." He set a research man at work to see if he could make one, and I was called in as consultant.

We made a satisfactory developer, and that drew my attention to the possibility of becoming a manufacturer, with the new movie industry for a market, right at my door.

In those days, I had the technical man's point of view—if you could make something for which there was a market, you were a manufacturer, and on the road to riches. Never a thought of what it cost—but even then, something warned me.

"A photographic developer is complex," I reasoned. "The war must end some time. Then the Germans will be back with their fine developers, for which I could only make a substitute. They have regiments of chemists to

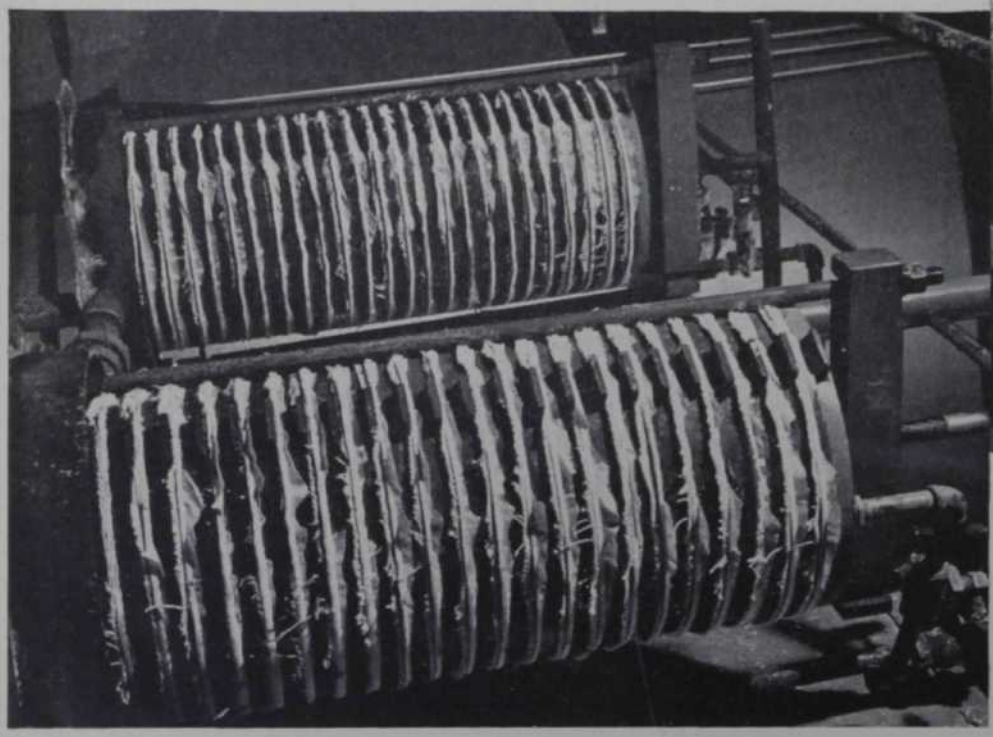
(Continued on page 78)



Loading centrifugal basket with "mother liquor" to get trisodium crystals



Control board is first 100 per cent new equipment



Clarifying filter presses which insure photo purity of Hollywood's chemicals



EDWARD F. WALTON

My wife sees no reason why, just because she is married, she should bury her abilities

My Wife Works . . .

MANY economists have insisted that wives of employed men should give up their jobs. Without prejudice, NATION'S BUSINESS offers this writer's rebuttal

TWO YOUNG friends of mine want to get married, but wonder if they dare. It's a question of cash.

Both are employed by our State University, he as a junior instructor, she as a secretary. Their combined salaries are ample for two to live on, but not the boy's alone. Why shouldn't they just marry and the girl keep on working? That's the natural thing to say, but the question is, can she?

There has been agitation in our state against wives on public pay rolls. Their jobs, it is said, ought to be filled by people who need work and can't find it. Our Governor, as an administrative policy rather than by legislative enactment, has ordered the dismissal of women whose husbands are earners. If this boy and girl marry, will the axe fall on her head? The chances are that it will.

They are not alone in their predicament. The tide against working wives has been running strong. The City Council of Akron, Ohio, recently passed a resolution requesting rubber manufacturers, merchants, the school board, and other employers, to discharge married women whose husbands have jobs. This was a case of private pay rolls, not public. A big mail-order house has announced "experiments" with the policy of discharging married women whose husbands earn $20 a week or more. Within the past year and a half, bills designed in some way to outlaw the wife with a job have been introduced in 24 state legislatures.

I know at first hand how some people feel. My wife works. A friend of mine, past 40, was let out of a good job three years ago, and hasn't been able to land anything decent since. My wife's salary, and her job too, though not nearly as good as he used to have, would be clover for him right now. As he sees it, she doesn't need a job; he does. Something, he thinks, ought to be done about it, and maybe the thing to do is to pass a law.

"There aren't enough jobs to go around," he argues; "wives have no right to grab those there are."

If they must do something besides housework, he says, let them get busy on tasks which cannot bring them into economic competition with men who have families to support.

I sympathize with him and others who feel the same way. But I think he has the wrong solution for a problem which is more and more with us.

A few years ago a rather plausible school of "economists" won a certain amount of acceptance for the theory that, in view of the number of people out of jobs, we ought to scrap steam shovels and trucks, and do all their work with wheelbarrows and hand shovels. This way, they argued, everybody would have work. They had what

looked like an idea. But actually, they were looking at a big public problem through a tiny crack in the fence. They didn't see the problem as a whole and failed to realize that profitable employment and improved living standards for the greatest number do not in the long run, or perhaps in the short run, result from using the least efficient tools.

Just the contrary! Progress, social as well as industrial, comes from continuously developing, and continuously increasing our use of, the most efficient tools. When a national emergency like the threat of war suddenly comes along, we soon enough see that production at the best possible pace is our great need.

The same holds true, I think, for human "tools." I believe that discrimination, for any reason, against the efficient person who wants to work, and who can get a job and hold it, regardless of sex, marital status, or financial "need," weakens our economy, is based on fetish economics and witchcraft thinking, and is a most excellent way to make progress the same way a crab does—backward.

Consider our personal case. We have a 12 year-old son who needs a mother's care in the home as much as any boy of that age does. As far as money goes, my wife doesn't need her job. I earn enough to support both of us. In fact, as people go, we are pretty well fixed, thanks in part to two smallish inheritances. I am a special writer for a big-city newspaper, and earn $125 a week. By doing an occasional article or story in my spare time, I earn anywhere from $500 to $1,500 a year in addition to my salary.

The family income

I OWN two houses. One we live in. The other rents for $85 a month and, above taxes and upkeep, it nets about $500 a year. My wife's money is invested in stocks which yield her annual dividends of about $450. Her job is managing the office force of a company which manufactures oil-burner equipment, and her salary is $250 a month. Considering that most employers still make a wage differential against women, that's very good; but she earns it.

Our combined income is somewhere between $10,000 and $12,000 a year, most years. Not big money, but ample. And some people, looking at just one thing, total income, see red and say it's a sin and a shame that my wife and others like her should be allowed to keep their jobs, when many need work and can't get it.

What does she herself say and feel about it? Why does she work? I am writing this mostly to answer those two questions. There are tens of thousands of working wives today, and each one, if you ask her, can give a snap reason for working.

"I want the money."

"I'd rather work than keep house."

"It makes me feel independent."

"What would I do with myself, if I didn't work?"

"Office contacts are more interesting."

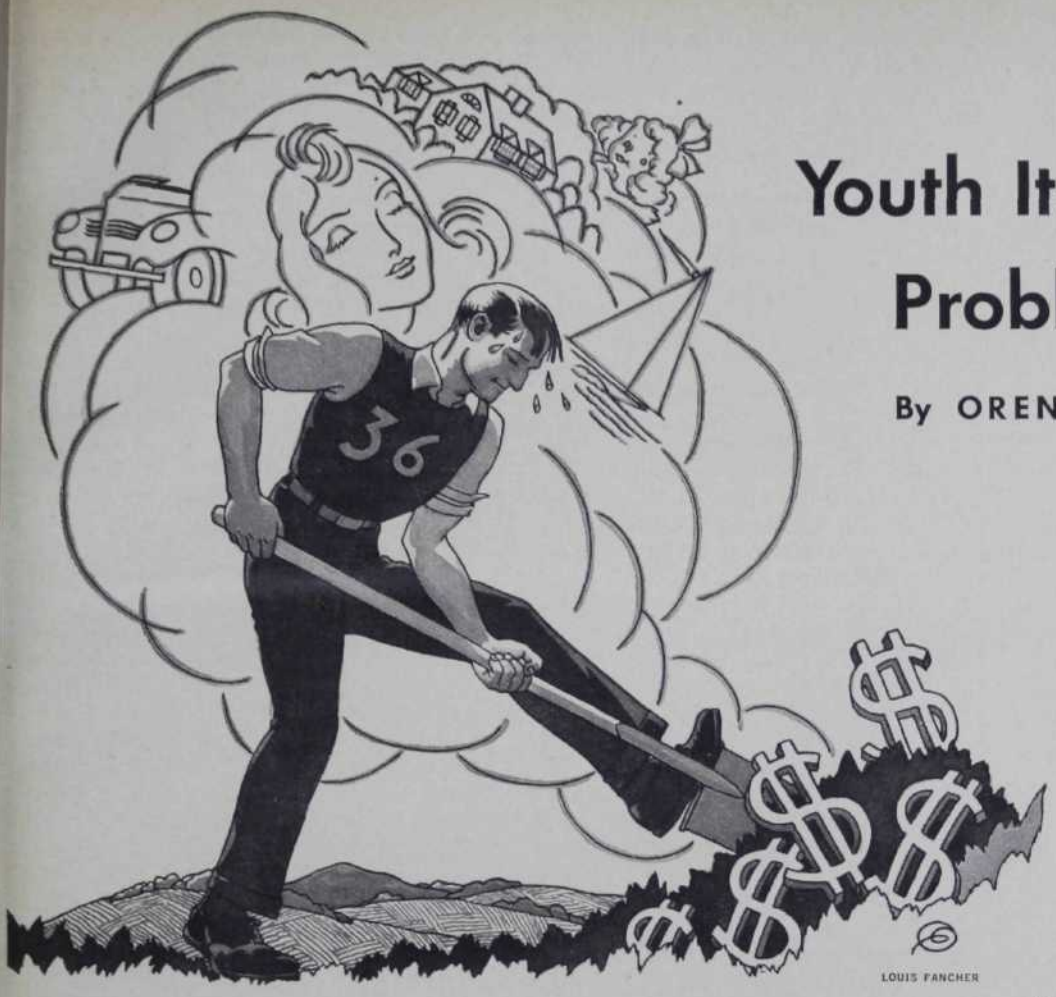
Or simply, "I like it."

Underneath these unanalytical responses are the real reasons, blindly pressing and lying deep in a changing economy. When they are analyzed, it becomes clear that working wives, by and large, are doing worth while work—that they are efficient human "tools" which society owes it to itself to make the best use of—that, in many cases, they are leading fuller and more effective lives than many of those who sit back and point the finger and say,

(Continued on page 70)



Our home life is delightful because none of us sees too much of any of the others



Youth Itself Is the Problem

By OREN STEPHENS

THE "PLIGHT OF YOUTH" is a fiction in the view of this recent college graduate who relates the experiences of himself and his class mates to show that jobs are available

We were an average group, without pull, but we had the will to work

AS A YOUTH who came out of college in the depression, I am disgusted with our so-called "youth movement." It is a sham and a farce, just as the "youth problem" is a myth spawned and fostered by a group which passionately desires a Youth Movement in the United States. The tremendous literary output traceable to this group intimates that there is a conspiracy to keep all young people unemployed and unhappy. It is not very clear just who is behind the conspiracy, but you are given to understand that it is there.

There is, of course, an unemployment problem which affects all persons of all ages. But this is not a problem peculiar to youth.

Statistics are presented on every hand to give a nation-wide picture of the "plight of youth." Such statistics undoubtedly have their value, but they do not tell the whole story. For whatever additional light it may shed on what is happening to youth, this article outlines briefly the post-graduation experiences of the writer and 17 other young men who lived in the same fraternity house and who were graduated either in 1935 or 1936. These young men would probably endorse the conclusions given here. From their own experiences, they would agree that many young men and women—and this concerns college graduates primarily—do not have jobs because:

They are unwilling to begin at the bottom and work up in traditional American fashion, but insist upon jobs which should be the objective after five years of experience.

They seek work, if at all, in a dilatory manner that alienates any prospective employer.

They are too weak to stand on their own feet.

They insist upon that unknown quantity called "security."

They have a sense of defeatism before they begin.

They have not properly prepared themselves for the jobs they seek and, for that matter, in many instances have prepared themselves for no jobs at all.

Finally it must be recorded that many do not want to work, having adopted the strange theory that they are chosen people and should be cared for.

Avoiding work

RECENTLY, in my city, the state's general agent of one of the bigger life insurance companies announced that he would like to employ two of this year's college graduates as insurance agents. There were about a dozen applicants, and the reaction of George was typical. George had just completed a four-year general arts course. He had no special training. The general agent, when George appeared for an interview, outlined the nature of the work.

"What is the salary?" asked George at the first opportunity.

"There is no salary," said the general agent. "However, if a young man is willing to get out and dig, I'm willing to guarantee him $100 a month for the first year to help him get started."

"I don't want a commission job," replied George, as he picked up his hat. "After spending four years in college, I don't think I can afford to work for a salary of less than $150 a month."

With this development, the general agent sought and found his two salesmen among men who had been out of college long enough to learn that a living is not passed out on a silver platter but must be earned.

Tom seemed the most promising member of our group. He was exceedingly ambitious and ranked at the top as a student. Although dead set on scaling the heights, he had no qualms about beginning at the bottom. Months before graduation from the School of Business Administration, he arranged interviews with scores of prospective employers.

Yet the job he accepted upon graduation in June, 1935—assistant to the sales promotion manager of a department store—carried a salary of $15 a week.

When I heard from Tom several months later, he had convinced a small

radio station that it should broadcast regular news programs. He was news editor and commentator, at $25 a week. Shortly afterward, he moved on to another station, and then to a third, each time at a slight increase in salary. In 1937, he became executive secretary of the United States Junior Chamber of Commerce.

He steadily worked up

TODAY he is executive vice president of that organization, and the salary he receives is, I am sure, considerably more than he had hoped to receive five years after graduation. Not content with that, he also founded the organization's monthly magazine, *"Future, the Magazine for Young Men."*

Jimmy had a hard time getting started on the right track. He began in the College of Arts and Sciences, then transferred to the School of Business Administration. He failed there and, possibly because his background had been rural, he tried again in the College of Agriculture, where he made an excellent record. Now he is a county farm agent and a good one, according to reports of his superiors.

None of us had much hope for Arthur. He just wasn't a very good student and he seemed utterly unconcerned about the future. The three-year law course took him four years but, when finally he was graduated, he evidently realized he was on his own and would have to do something about it. Today, thanks to his ingenuity and an inherent ability as a lawyer, he is an associate in one of the state's most prosperous law firms. He probably pays a pretty good income tax now and more will come when he becomes a junior partner in another year or two.

Joe also was a poor student. It was not that he was unintelligent, but college to him was merely a place in which to enjoy a four-year "party." For no particular reason, he drifted through the School of Business Administration. Now he has a responsible position with an oil company primarily because he wasn't afraid of beginning at the bottom—with the roughnecks and roustabouts in the field. When the "party" was over, he accepted the necessity of settling down and bringing home the pay check.

We were, as this will indicate, an average group of college students. Some were good students, some poor, some were ambitious and others were merely willing to do what was necessary to "get by." Some of us had plenty of money to pay for a college education, but most of us earned a good portion, if not all, of the cost.

Ernest did not need to worry about the future, because he was the owner of several producing oil wells. In his senior year, he married a schoolmate and decided to become a doctor. He is still studying for that career.

Leon had no ambition whatever. A trust fund provided him with an adequate income. During the Christmas holidays of his senior year, he drove to Mexico for a "vacation." When I last heard from him two years ago, he was living a life of leisure in Monterey.

Nor did Carl have to worry about the future, because his family was "well-fixed." He had, however, an earnest desire to be a civil engineer. But when he was a junior in the College of Engineering, his father died. He returned home and assumed active management of the family's extensive farm properties. He managed them well, but his ambition did not die. Last year he turned the farms over to an assistant and returned to school to complete his education in civil engineering.

John was studying mechanical engineering, that is, he was studying it when he wasn't playing football. Upon graduation he was offered a job with an air-conditioning equipment factory at $20 a week. He accepted. A year later he was working in a southern factory manufacturing plastics, at a higher salary. Today, thanks to a building boom, he and his father are partners in a lumber firm.

Jack also was in the School of Business Administration. While in school he earned his meals by waiting on tables at the fraternity house, and the balance of his expenses came from various odd jobs. After graduation, he succeeded in landing a job as assistant to the manager of a unit of a millinery store chain. He now manages one of the company's units.

Ernis has a traveling job with one of the bigger can manufacturing companies. Hugh, a business graduate, is a teller in a bank. (The last I heard from him, he was the proud papa of twins.) William was a good officer in the university's R.O.T.C. unit and, after graduation, was given an opportunity to become a flyer at the Army's Randolph Field. He is now a flying lieutenant. Harry, also a good student officer, is commandant of a C.C.C. camp, with the rank of first lieutenant.

Bob was a brilliant law student and a campus leader. Great things were predicted for him. But when Bob was graduated, he found that a good many young lawyers were looking for clients who didn't exist. Five months after leaving the campus, he was a stockroom clerk in a five-and-ten—at $15 a week. From this small salary he managed, however, to save a little money to buy some essential law books. Returning to his home town, he hung out his shingle and successfully cam-

(Continued on page 56)



Many do not want to work, having adopted the strange theory that they are chosen people and should be cared for

No Business Can Escape Change

In war or emergency business works for the consumer's convenience

1 • A LIGHT-WEIGHT compact raincoat for men has just been introduced which is small enough to be carried in coat pockets, briefcases, and the like. It is made of a rubber-hydrochloride in opaque black and is furnished with a carrying case of the same material.

2 • NEW step ladders have been made of aluminum with steps on both sides so that two people can work on them at once or they can be mounted from either side. They are light weight, available with rubber feet or casters.

3 • A MACHINE screw now made has a lock washer as an integral part of the head. It drives like an ordinary screw, eliminates lock washer assembling difficulties.

4 • A NEW device for mounting tires is operated by compressed air, obviates the need of hammers and tire irons, saves time and is easier on tires. It is equipped to fit the ordinary air chuck used for tire inflation. It is portable.

5 • A HIGH temperature lubricated plug valve now made operates at temperatures up to 1000 degrees Fahrenheit and pressures ranging to 1000 pounds. The plug is lapped in at near operating temperatures. It is highly resistant to corrosion and erosion.

6 • FOR INFRA-RED baking and drying there is now a portable flexible unit that can be used for touch up work on trucks, furniture, other items that are not adaptable to production lines. The unit is adjustable horizontally and vertically.

7 • CARBON DIOXIDE fire fighting units are now available on trailers which can be attached to a truck or tractor and quickly towed to the fire. They carry up to ten 50 pound cylinders of gas with up to 200 feet of high pressure hose and discharge horns.

8 • FOR FISHERMEN with delicate casting rods there is now made a light-weight cold-rolled electrically welded steel tube with chromium plating and hermetically sealed cap. It is strong enough to stand far more damage than such a case is likely to get.

9 • A CARPET for theaters is now dyed with fluorescent materials that glow under ultra-violet light. By daylight the carpet appears to be treated with ordinary dyes only.

10 • ULTRA-VIOLET equipment for activating fluorescent carpet in theaters has been developed to give a long narrow spread over the carpet lengths with no objectionable spill into adjoining areas. The carpets are made readily visible despite the dark rooms.

11 • A NON-MAGNETIC free-machining steel alloy is now made with high electrical resistance. It can be readily formed, welded, machined, or blanked.

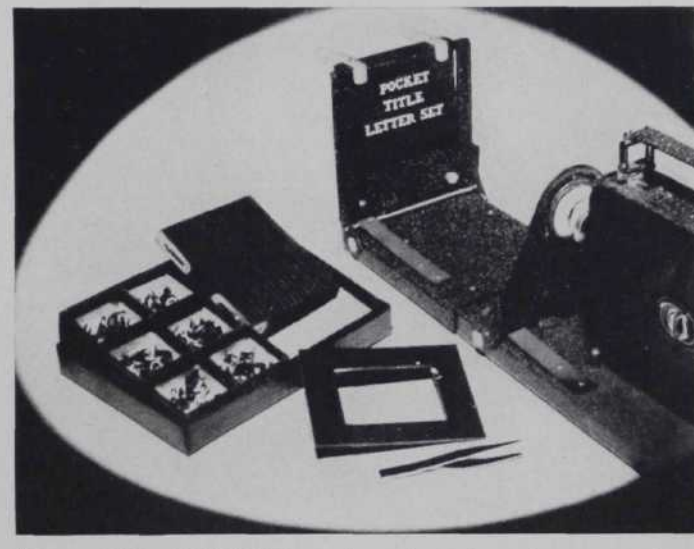
12 • FOR BOWLERS there is made a rubber bushing that fits in the thumb hole when countersunk. It lessens chafing on the thumb and gives better control.

13 • A NEW ingredient to be used with ordinary Portland cement and forced against water pressure stops leaks in only a few seconds. It is useful for dams, retaining walls, dykes, and the like.

14 • A COKE stoker for domestic use has been developed which is wholly automatic. No forced draft is required. A silent type conveyor extends from the bin to the furnace. Ashes are dustlessly removed to an ash can beside the furnace.

15 • CORRUGATED board is now available with up to six waterproof, sunfast colors printed in a single press run. The printing is direct, not pasted on.

16 • A NEW pipe with briar bowl has a colored but transparent stem which includes a moisture trap. Having the trap in the non-absorbent stem is said to keep the shank dry and give a cool, dry smoke.



17 • FOR AMATEUR movie makers there is now made a small titling set with quarter-inch metal letters, a non-reflecting background with space for five lines of type, mask and tweezers.

18 • FOR BICYCLES now there is a spring fork with three way action which combines shock absorber, snubber and bumper all in the one device controlled by a combination of three springs.

19 • AND THERE is now made a generator with voltage control for bicycles that works equally well with one or two lights. An automatic switch is available so that batteries will be used for safety when the bicycle is stopped briefly.

20 • ADHESIVE labels that do not need moistening and that come off clean are now available in a package that automatically peels them from their protective backing and provides a smooth non-sticking surface where prices or other information may be written on the label.

21 • A LOW-COST variable speed control is applicable to any standard constant speed motor of fractional to 1½ horsepower. It operates by V belt between two disks and a sheave pulley.

22 • A PNEUMATIC-TIRED double-steel trailer now made is eight feet long, three and one-half feet wide, stands low, and has automatic coupling units at both ends.

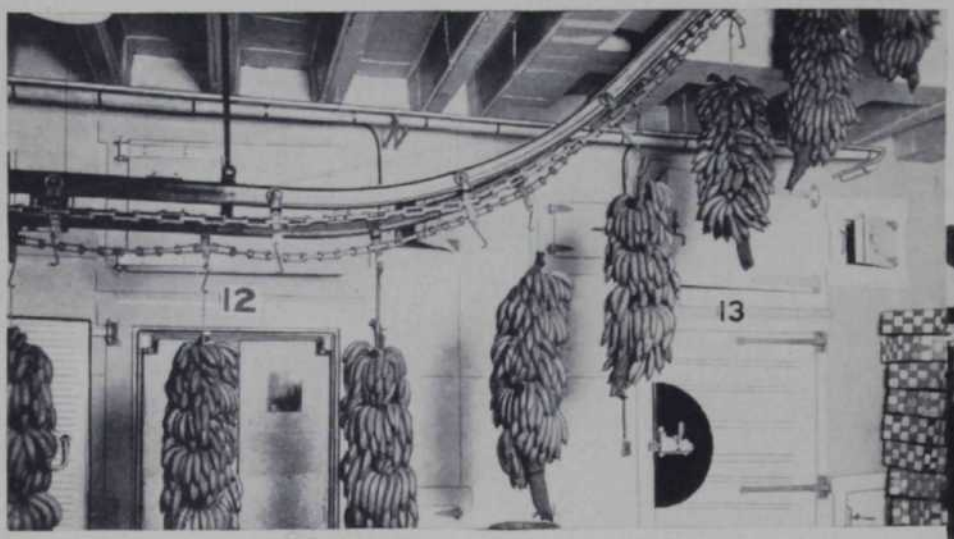
23 • A ROAD-ROLLING device utilizing pneumatic tires close mounted is said to be a close approximation to heavy traffic compaction for certain types of road rolling.

—W. L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

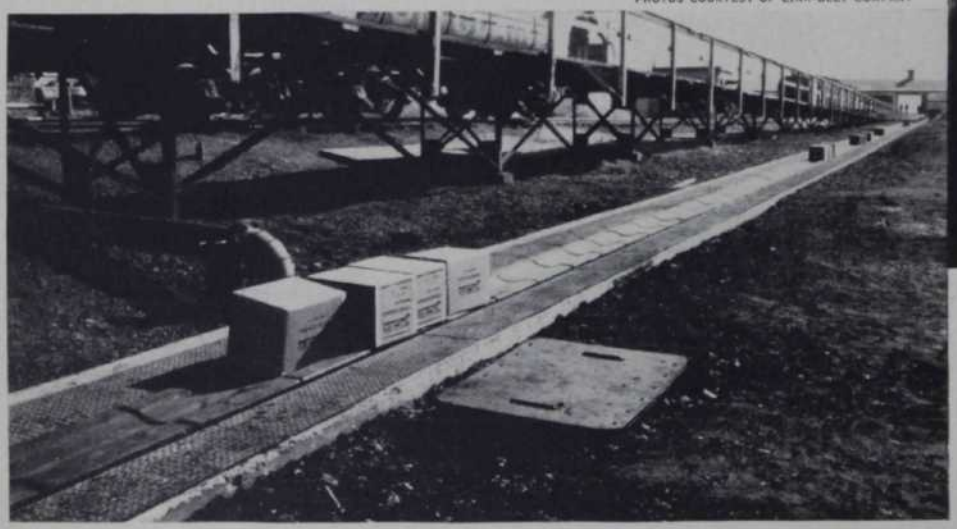
Machines That Serve Consumers Can Also

MEN who can make machines that feed and clothe America can also make fighting tools

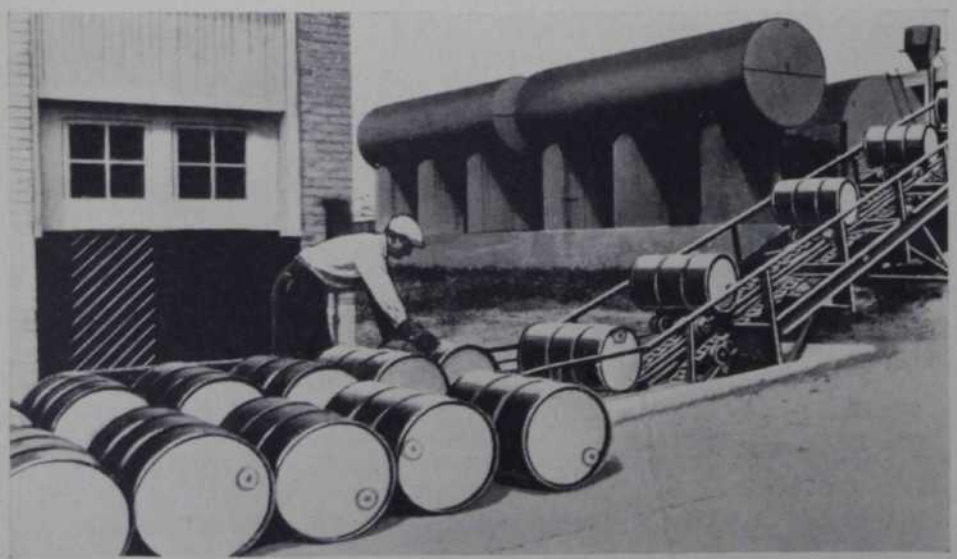


Bananas ride a reversible overhead trolley conveyor between railroad cars and basement ripening rooms, in a continuous flow

PHOTOS COURTESY OF LINK-BELT COMPANY



Cartons, cans and drums move either way on this reversible intraplant conveyor without attention or damage enroute



Ink in drums, is transported to railroad cars on a single strand chain conveyor which may be reversed for returning empty drums to plant



Slaughtered sheep start through a modern packing plant

AMERICAN manufacturers believe that their proven ability to produce goods on a quantity basis can be successfully applied to national defense needs just as soon as they are given the "go-ahead" signal. They feel that the technique of mass production is more intelligently and successfully operated in the United States than in any other nation.

A large share of their confidence is based on the ever-increasing uses found for conveyor machinery.

Conveyors are indispensable tools in straight-line production, a process that depends largely upon moving a product from one station to another with the least possible human effort.

Unique conveyors evolved for this process move anything from doughnuts to automobile bodies from one worker to the next without stoppage.

Most of Link-Belt Company's conveyors shown here have been used in making consumer goods at low cost. Other types have been just as effective in the manufacture of heavy goods such as automobiles or iron and steel products. Their contribution to mass production has been an important factor in making a radio as commonplace in a steel worker's home as in the living quarters of his employer or in making nickel candy bars available to those who cannot afford 40 or 50 cent confections.

The conveyor is frequently used as the sym-

Serve Soldiers

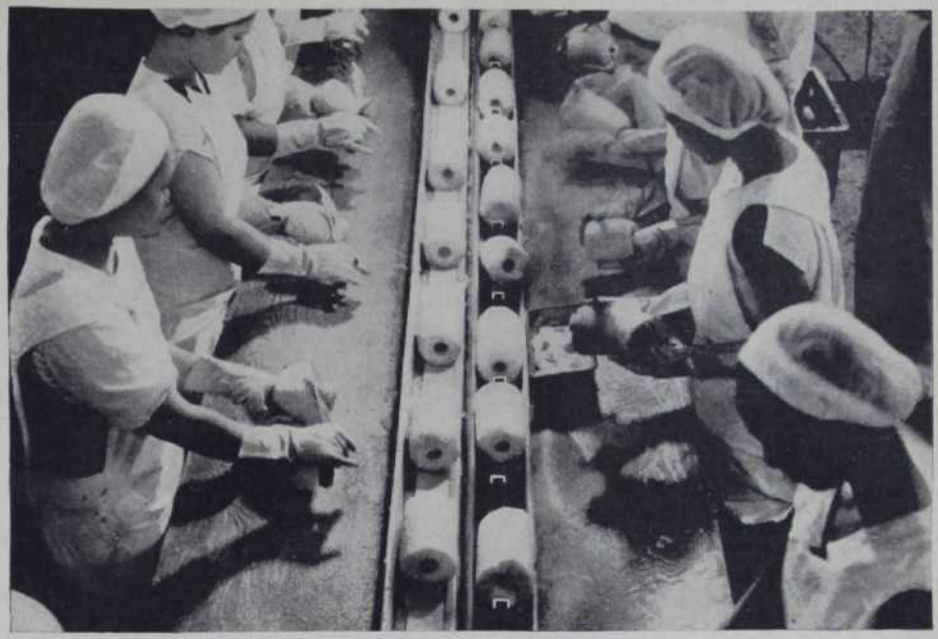
bol representing mechanization of American industry. Just as land, air and sea transportation systems have speeded up and coordinated the diverse units of a wide-spread industrial network, so have these moving belts, chains, hooks, trolleys and rollers mobilized the "insides" of factories and mills.

With its moving parts working at capacity, mechanized industry can do more to maintain a high standard of living and provide jobs than by any other method. Significant of the growth of mechanization are census figures indicating that more American people are now engaged in the *production of machinery* than were employed in *all manufacturing* 80 years ago.

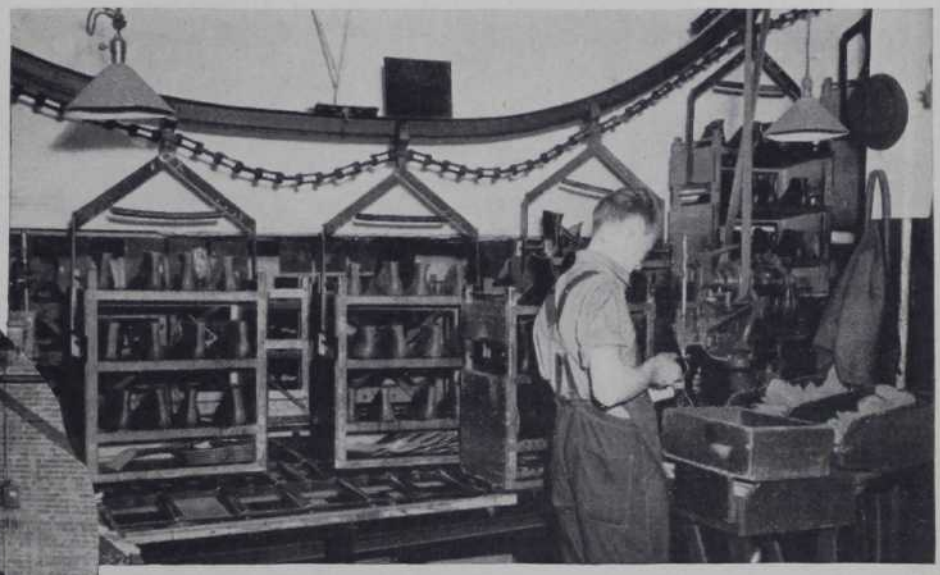
Furthermore, the number of hours worked have decreased from 57 a week in 1900 to an average of around 40 today and the number of jobs has increased faster than the population.

In 1870, 324 people were gainfully employed for each thousand in the census. In 1930 the figure had reached 400.

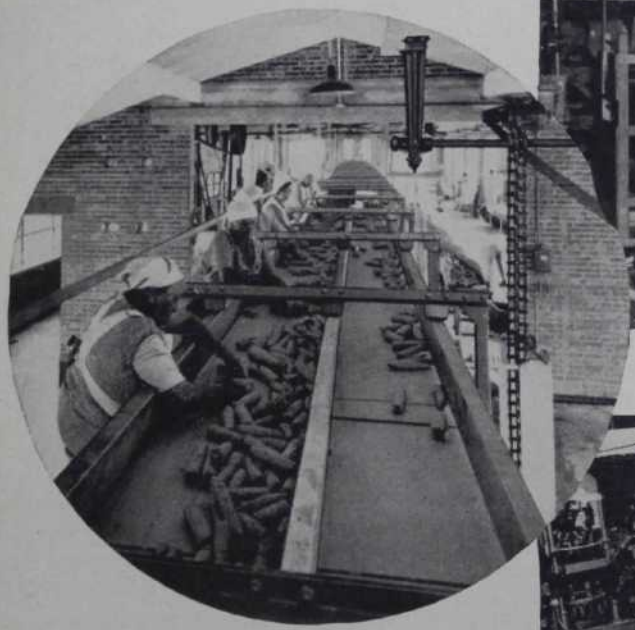
America's skill in the art of mass production has so far been devoted to coordination



Pineapples travel on stainless steel conveyors, with pushers at intervals, through inspection and trimming department in Hawaiian plant

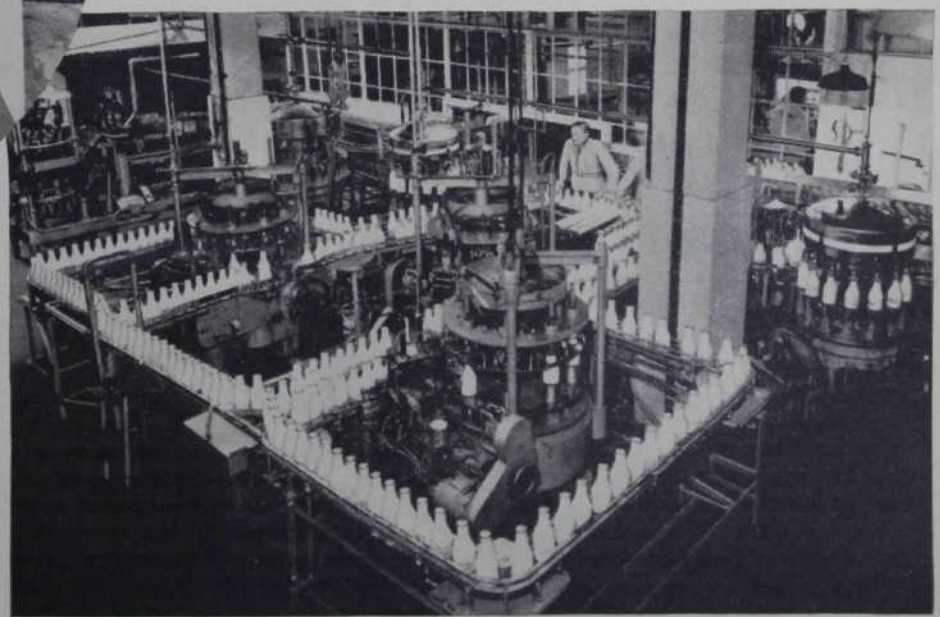


Six pairs of shoes to the rack on way to drying room demonstrate the time-saving convenience of a ceiling highway



Corn is inspected and sorted on an antifriction belt

with other factors to produce a standard of living which is the envy of all the world. If need be, the inventive and practical minds that put this kind of machinery into action can use conveyors to move parts of tanks, gas masks, caissons and other war-making tools just as efficiently as they now handle vegetables, pies, meats or bottles. If the United States must create an armaments industry, industrialists are certain that they will find materials-handling equipment just as effective in making bullets, cannon or even airplanes as it has been in turning out processed food or motor cars.



Mechanical handling speeds up milk distribution in an industry from which the public demands fast, sanitary and accurate operations



As a warming-up exercise in worry just look in a mirror

I Worried My Way to the Top . . .

By JO CHAMBERLIN

A MAN who holds several records for worry—both from a standing and a running start—offers some advice to those seeking proficiency in pessimism

I LOOK around me sometimes, and see plenty of amateur worriers.

Men who worry about their jobs. Secretaries who fret over their complexions. Office boys who stew about their batting averages, and girls who worry about becoming wall-flowers. But, to an old hand like myself, it's obvious that these people are tyros at the art. Beginners! They try hard but —well, they need guidance and instruction. They don't seem to realize that effective worrying is a fine art which, like the rhumba, is *not* to be learned in a day.

Take my own case. I am so proficient, my business friends often call me in as a consultant, to help *them* worry about something. But it took years for me to worry my way to the top.

In the first place, I came from a long line of worriers. One ancestor records gloomily in his diary how he leaned over the rail of the *Mayflower,* surveyed the coast dubiously, and wondered if he shouldn't go back to England and pay his creditors what he owed them. What could this strange country ever amount to anyway? It didn't even have one night club!

My grandfather, an Ohio farmer with a swallow-tail beard, was a brilliant worrier. He achieved some amazing results with the weather, but he didn't specialize. One minute it was whether his drunken hired hand would get home all right. The next, it was whether the government's purchase of Alaska in '67 would not bankrupt the country. Consequently, with this hit-or-miss style, he never really qualified as a Grade-A man.

I owe the most to my father, a Cleveland lawyer. At the age of nine he had already developed a deep furrow in his brow and he went on to become one of the most effective worriers I have ever known, leaping from one perplexity to another without the loss of a single day's indigestion.

Father's *forte* has always been governmental affairs—taxes, the tariff, and states rights. He is a rock-ribbed conservative and when the new political notions came along I thought they would finish him. But not father. He was prepared for a supreme test of his talent. No new high in political nonsense, not even the N.R.A. or W.P.A., could throw him. He has outworried them all.

With such forebears, it is not surprising that I have done well. In me, these biological strains have flowered into the perfect worrier. No man in America worries more than I do, or over smaller matters.

You may *think* you do, but listen!

As a boy, I remember my first concern very well. I had been given a raincoat and hat for my sixth birthday, and it appeared that it would *never* rain. Not a cloud in the sky. I had to wait—and worry—for two days until it began raining and rained for a solid week. I caught cold and nearly got pneumonia. In high school, I stewed over whether I would make the football and track teams and, once on them, feared the coach would boot me off. Only after I graduated did I discover I would have been a lot better off if the coach *had* kicked me off. I would have learned to play golf, and I wouldn't be so ashamed of my game today when I play with business friends.



Always carry your troubles home from the office with you



The market, taxes, expenses all are good starting places for worriers

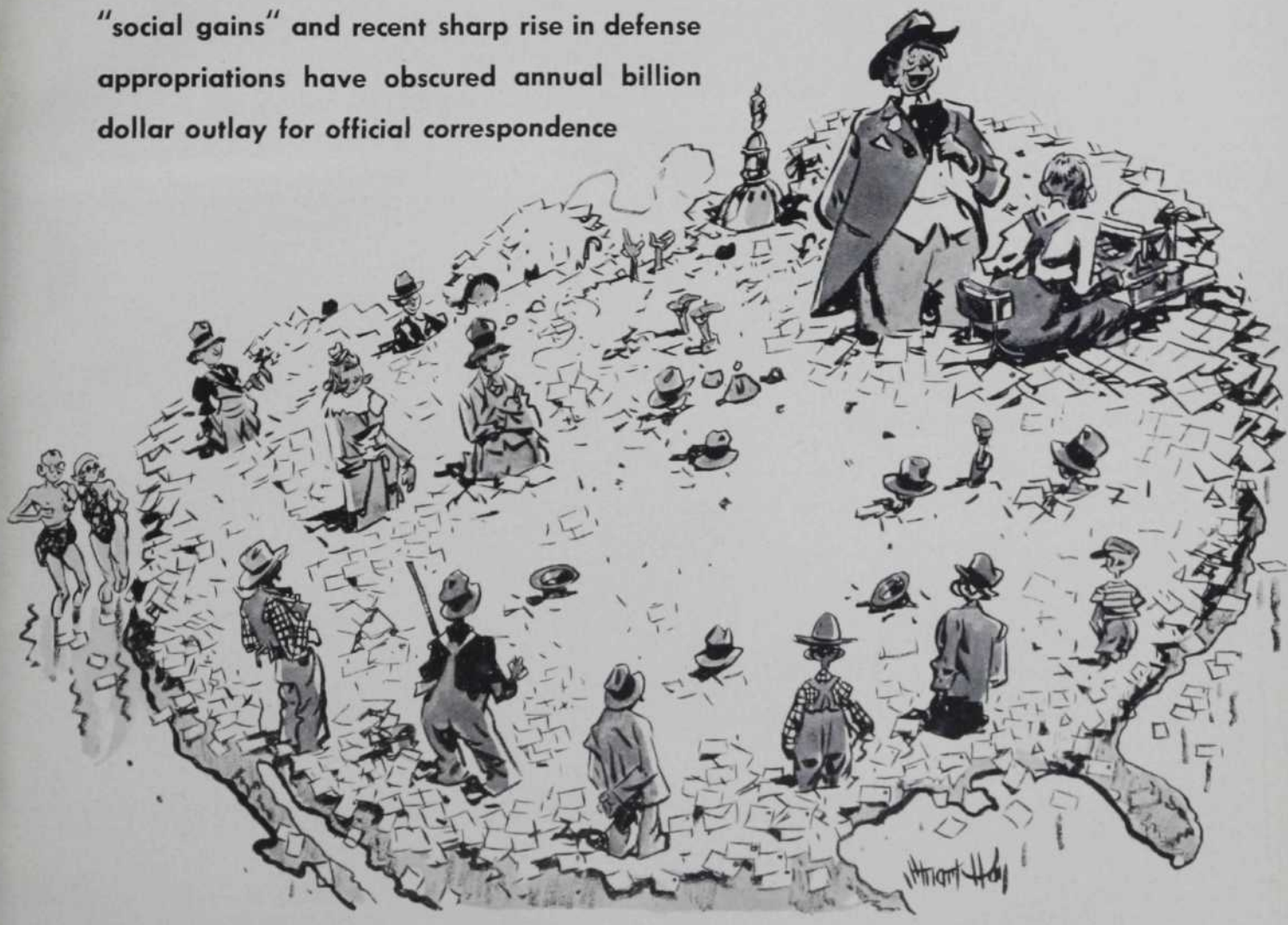
Champion worriers

AT MY university we business-school worriers were divided into different classes. I won the light heavyweight award (a leather bound copy of *How to Lose Friends and Alienate People*) hands down. I would have won the intercollegiate competition, too, had it not been for an opponent's last-

(Continued on page 58)

More Costly Than Battleships

THE big increase in government spending for "social gains" and recent sharp rise in defense appropriations have obscured annual billion dollar outlay for official correspondence



Each year bureaucrats send out an estimated 1,000,000,000 pieces of mail

TAKE a letter! Take a billion letters! A billion pieces of mail is the quantity the Post Office Department estimates the government establishments and members of Congress put out last year. Officials reckon the postage alone at $39,234,683. The Post Office doesn't collect this sum. The Treasury Department gets it from the taxpayer. And what does it cost to write a billion pieces of mail? A billion dollars?

Eyes bulge out at such figures. No such estimates appear in the federal budget. Nor does anyone hear such numbers at appropriations hearings. A bureaucrat takes the stand to defend government spending, to ask for bigger appropriations. He tells about the increasing demand the public is making for information. Information of all sorts—about bedbugs and xylophones. An extra stenographer here, a typist there—to take care of the insatiable public thirst for knowledge.

Our governmental extravagance

CUT through the deceit! Consider that the big increase in government spending in recent years has not been in increased national defense. Nor in servicing the federal debt. It is in the writing of letters!

"The mighty instrument of little men," wrote Byron.

Hundreds of millions of letters going out to the people. Because the people want information? Because letters have publicity, have political value!

A man writes to a government official or department. He gets a most gracious reply, a packet of printed publications, and an invitation to write again. The Department of Agriculture alone answered more than 10,000,000 letters last year and, with the help of Congressmen, put out 27,000,000 copies of its bulletins.

Mr. Ickes' Department of the Interior is not far behind, and Mr. Hopkins' Department of Commerce a close runner-up. Government officials regard as pretty silly many of the letters they get, but all correspondents must be treated alike.

"The value of a well-phrased letter, a letter signed by the President or by a Cabinet officer?" grins one of the government specialists in public relations. "It's tops. 'Wins friends and in-

fluences people.' The recipient frames it, hangs it on the wall. Great stuff."

Nods of approval come from Milton E. Eisenhower, in command of government publicists in the big marble-and-bronze Department of Agriculture on the Mall. Mr. Eisenhower knows whereof he speaks. He has been running the agricultural publicity mill by mail, press and radio for more than ten years. His staff fills the Administration Building, crowds the offices of Secretary Wallace, and overflows into the South Building.

Mr. Eisenhower told an appropriations committee:

> To meet the flow of inquiries coming in from the public and at the same time to disseminate new knowledge developed by the research programs, the Office of Information uses four principal methods: First, correspondence; second, publications; third, the radio; and fourth, the press.

"Check!" chorus the correspondents in Commerce and Interior, Labor and Treasury, State and Justice on the uses of letter-writing. "Double-check!" say the little secretaries on Capitol Hill, where home-town birth and death columns are scanned daily, and thousands of letters go out congratulating new mothers and fathers, or commiserating with the bereaved. Congressmen used to broadcast free seeds. Now they sow free bulletins.

Each of the 500 or more government boards, bureaus, commissions, corporations, and divisions has its skilled letter-writers, its visé clerks, file clerks, mail clerks, and so on. Typical is the letter-writing business in the Department of the Interior. The bulk of the mail in this organization deals with technical subjects which require the attention of specialists, the remainder with miscellaneous matters of all sorts.

Queries and form replies

PEOPLE ask Mr. Ickes for divining rods and forked twigs with which to locate minerals, find hidden treasure, spot water, and detect criminals. They want to know about Indians and wild horses. They seek the Secretary's permission to search for lost treasure. Mr. Ickes replies, with regret, "there is no provision for the issuance of government permits to individuals for the purpose of searching for or acquiring lost treasure trove," that anyhow the federal mining laws have no applicability, and that "even though treasure is actually found, the ownership is dependent on the surrounding facts and is governed by the laws of the state in which the treasure is found."

He writes the divining rod people:

> The outline . . . presented in the following pages will probably enable most honest inquirers to appreciate the practical uselessness of "water witching" and other applications of the divining rod, but those who wish to delve further into the mysteries of the subject are referred to the literature cited in the bibliography in which exhaustive investigation and pseudo-investigations . . .

Government officials estimate that the cost of letter-writing ranges from a few cents for form letters to about 30 cents each for dictated letters, and much more for letters requiring the compilation of statistics or special research. A long letter prepared for the White House or for a Cabinet officer may cost as much as $50 to $100. These letters are docketed and jacketed and studied by experts. They may pass through the hands of half a dozen or more persons, may be written and rewritten half a dozen times. A request from a Congressman may occupy the attention of departmental specialists for days or even weeks. It may entail the writing of a brief or a speech, the cost of which may run to several hundreds of dollars.

Persons in daily contact with the federal Government estimate that, first and last, about half of the personnel numbering more than 900,000 employees in Washington and the field have to do with letter-writing. Included are the armies of stenographers, typists, correspondents, and secretaries trooping in and out of the government triangle buildings in Washington every day; the battalions of file clerks, mail clerks, and messengers. Government scientists continually complain that so much of their time is taken up with letter-writing they have no time for scientific research.

Multiplied out, the wages of all these employees total $750,000,000 a year. Add to wages a sum for office rent, light, heat, typewriters, adding machines, stationery, and other equipment and supplies; $250,000 a year for the Department of Agriculture alone, for example, for scratch pads, stenographers' notebooks, tabulating cards, crop reporting forms, certificates, questionnaires, letterheads, binding and the like. Consider the writing of interoffice memoranda and the voluminous correspondence between Washington headquarters and some 10,000 branch government offices all over the world.

The total cost of letter-writing and the other paper work of Government must be close to $1,000,000,000 a year!

To be sure, a comparatively small number of the 1,000,000,000 pieces of mail put out by the federal Govern-

(Continued on page 86)



"A well-phrased letter from an official is tops. 'Wins friends and influences people'"

A Young Industry Gains Strength

By O. A. FITZGERALD



"DICK" WHITTINGTON

A rack of lima beans rolls into the quick freezer. Each year 19,000,000 pounds are frozen



HAWTHORNE STUDIOS

Peas for freezing are cleaned at the vining station. Above, asparagus is trimmed to eliminate waste



WHEN a Colorado strawberry jam-maker, H. A. Baker, 32 years ago hit upon the idea of freezing fresh berries to take the rush out of the jam-making season, he really started something, the full significance of which we are just beginning to witness.

Ordinarily the jam-makers worked day and night during the short fruit season; then everything stopped. That was the only way the pack could be made. Baker wondered if there wasn't some way to spread the job over a longer period. Of course, there was little chance to alter the ripening habits of the berry plants, but what about freezing the ripe berries and holding them in cold storage until they were needed? He began to put berries in 50-gallon barrels, sugared them heavily, and turned them into ice crystals. Soon all jam-makers were freezing berries so they, too, could make their jam in more leisurely way.

Others with vision saw the implications of what the jam-makers were doing. If berries can be frozen and held in storage and later made into jam just like fresh ones, why can't frozen berries be taken directly to the consumer? Housewives soon were thawing out in December and January small packages of berries which had been frozen since June.

One thing led to another, as it always does when the vision and technical ability of American industry see an opportunity. The possibilities of preserving other fruits and vegetables in the frozen form began to attract attention. Of course every excursion into new seas draws its quota of condemnation. Doubting Thomases freely predicted that frozen fruits and vegetables were just another passing fad.

Today—to illustrate how far those pessimists missed the mark—the housewife in practically every city can buy frozen fruits or vegetables from her local food dealer. In the larger ones she can get them from delivery trucks at her door. Altogether, about 20

frozen vegetables and 25 frozen fruits are on the market commercially. Frozen fruit juices and purees are beginning to appear. Research steadily is attacking obstacles that stand in the way of freezing items not now on the market. A story all by itself is the big frozen meat and fish field, but here we are concerned only with what comes from the garden, the berry patch, and the orchard.

Into the sub-zero hold of Admiral Byrd's flagship went a large supply of frozen foods last November. In Little America members of the Byrd party are eating asparagus, whole green beans, Golden Bantam corn, peas, spinach, lima beans, strawberries, blueberries, blackberries, and raw shrimp, which were frozen in the United States. Airliners, ocean liners, and streamline trains have become steady customers. Every Pan-American Clipper starting westward from San Francisco carries ready-cooked frozen meals, even to frozen soups and roasts. All they need is warming up.

How about a concentrated dose of statistics? In 1925, the nation's frozen pack was about 12,500,000 pounds, practically all strawberries, frozen by or for jam-makers. Vegetable freezing began to appear in 1930-31, but development was slow and in 1933 the pack was only about 2,500,000 pounds, mostly peas.

Volume is growing

IN 1938 the frozen fruit and vegetable volume had climbed to more than 200,000,000 pounds. Of this, about 85,000,000 pounds was vegetables and 118,000,000 pounds was fruits. That pack exceeded the one of the year before by better than 10,000,000 pounds. Figures for 1939 are not available as this is written, but there is nothing to indicate a slump.

Peas rank first among the vegetables with 34,000,000 pounds and lima beans come next with 19,000,000 pounds. In the Pacific Northwest you see pea fields of hundreds of acres growing a crop expressly for freezing. In New Jersey, one freezing company plants about 12,000 acres to lima beans. Other vegetables frozen in large quantities include asparagus, snap beans, cut corn, corn-on-the-cob, broccoli, Brussels sprouts, carrots, cauliflower, spinach, squash, rhubarb, and mushrooms.

Strawberries still account for the biggest part of the frozen fruit tonnage. Blueberries are second and cherries third. Other main fruits are raspberries, loganberries, blackberries, currants, gooseberries, huckleberries, prunes, peaches, apricots, youngberries and cantaloupes.

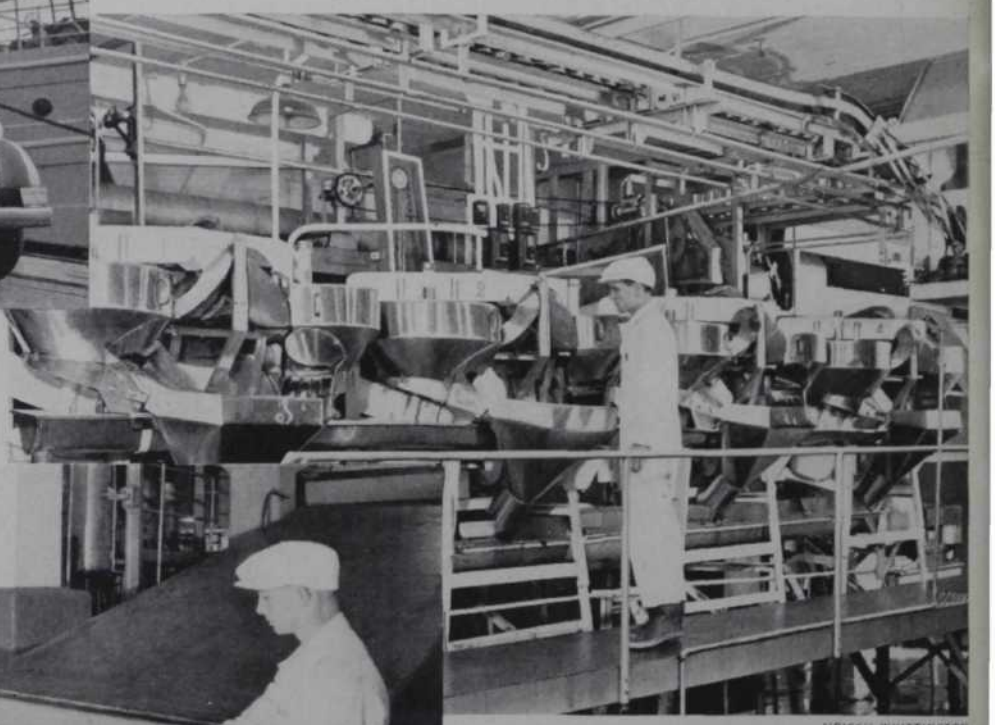
Fruit juices and cocktails are coming out of California. Peach pulp is now being frozen for ice cream manufacturers.

Women's magazines are beginning to give frozen foods major attention, a sign that they have clicked in the homes. Special recipe books are appearing, because these foods require special handling in the kitchen. The first advertisement of frozen fruits and vegetables in a general magazine appeared in 1939. Seed catalogs are starting to designate the varieties of fruits and vegetables most adaptable to freezing for the guid-

(Continued on page 62)

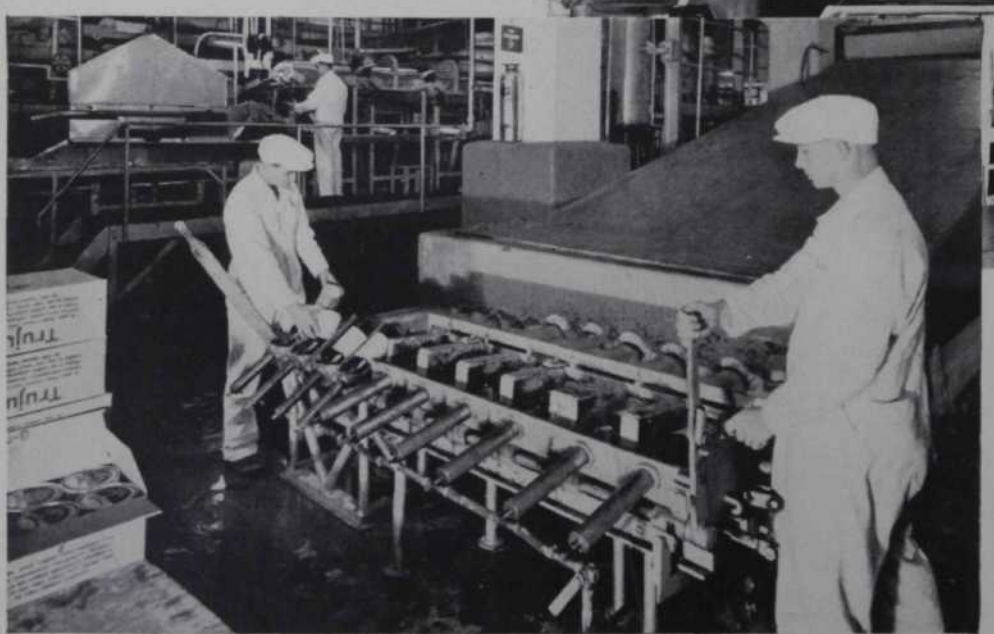


A truck delivers a few of the frozen foods which Admiral Byrd took with him to the South Pole



"DICK" WHITTINGTON

This battery of mechanical reamers halves citrus fruit, extracts the juice



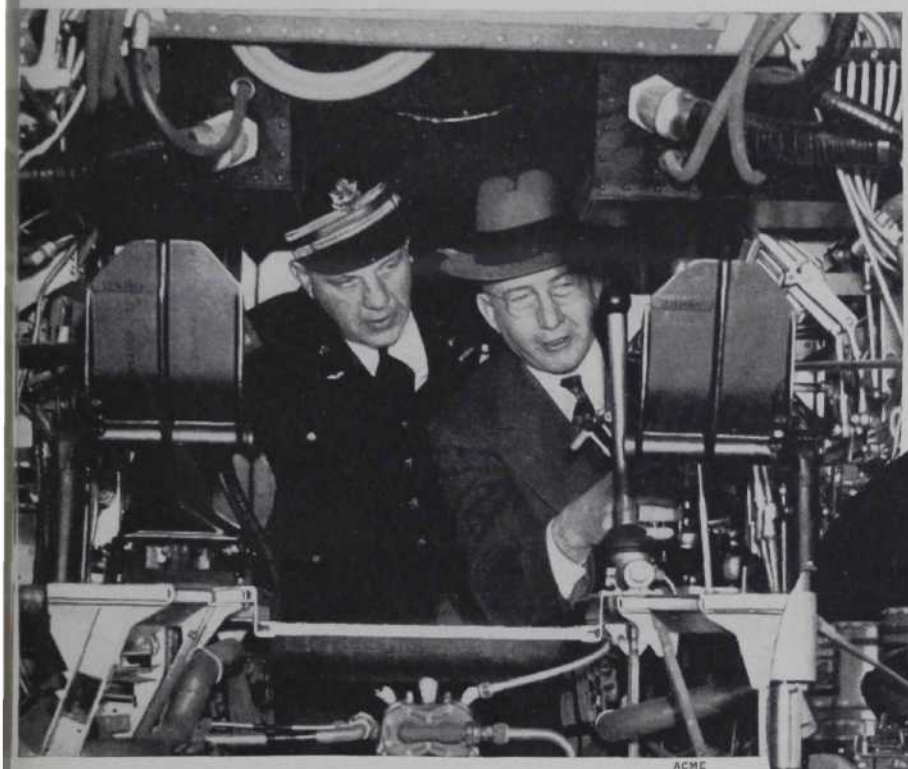
HAWTHORNE STUDIOS

Finnegan quick-freezing tubes chill cans of fruit juice to —35 degrees Fahrenheit

Leaders in the March of Business



S. Horace Disston and Luke Fraser



ACME

Glenn L. Martin (right)



Walter S. Mack, Jr.

GLENN L. MARTIN, Baltimore airplane manufacturer and developer of the Mareng "bulletproof" aeroplane gasoline tank, has founded a new school to apply technical polish to engineers. Graduates of technical and vocational high schools as well as college trained men are admitted to courses which dovetail with shop training so that students may have experience in building airplane parts. Mr. Martin believes it is far better to have his men learn their work from qualified instructors than from busy fellow workers.

S. Horace Disston, president of Henry Disston & Sons, Inc., of Philadelphia, saw manufacturers, is observing the 100th anniversary of the founding of his company. The management has always remained in the hands of the same family. Business was founded in the basement of Henry Disston's home at a time when most saws were imported. Workers include seven three-generation family groups consisting of grandfather, father and grandson; 25 per cent of employees have worked for the company 20 years or more.

Walter S. Mack, Jr., president of the Pepsi-Cola Company, recently announced a Job Awards plan which is in effect a business fellowship for college graduates in the form of actual salaried jobs. Students will be chosen from different colleges, given a year's salary of $1,300 and receive training in jobs created for them by organizations of their own choosing. At end of year, student will be taken into that organization or assisted to make connections with some other company.

Charles F. Palmer, Atlanta real estate operator and former head of the National Association of Building Owners and Managers, has been appointed National Defense Housing Coordinator. His job is to help shape the physical future of every city in which defense industries are located. He takes the position that private business initiative should be given first chance to supply every type of housing needed.

Justin R. Whiting succeeds Wendell Willkie as president of the Commonwealth & Southern Corp. Mr. Whiting was born in Michigan in 1886, has been associated with the company and its predecessors since 1912 as a legal adviser. Pledged himself to continue the company's policy of selling more power at lower rates.



LOHR

Charles F. Palmer



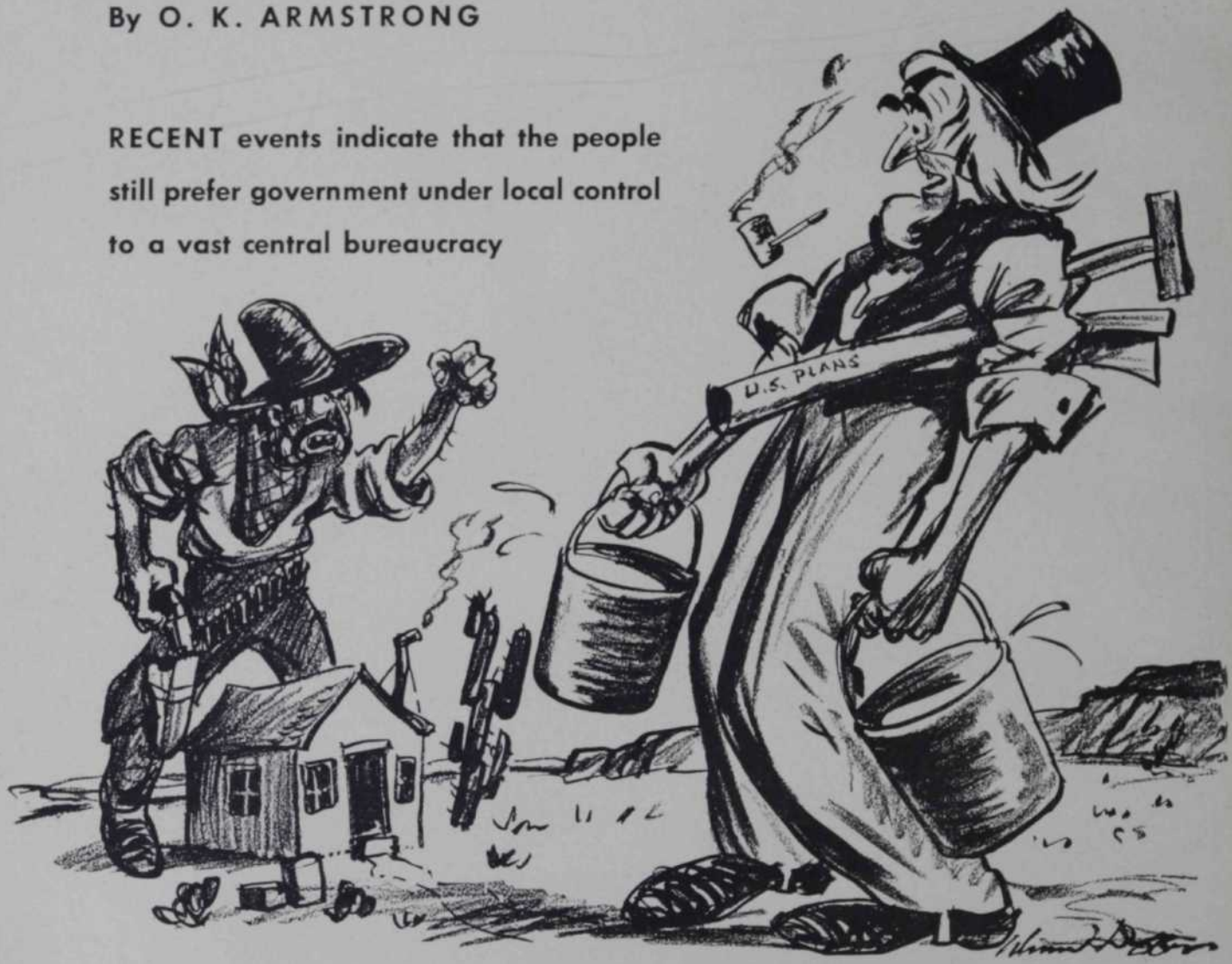
WIDE WORLD

Justin R. Whiting

Can State Rights be Saved?

By O. K. ARMSTRONG

RECENT events indicate that the people still prefer government under local control to a vast central bureaucracy



As the plainsman grabbed his gun, states have used militia to stop U. S. encroachments

LAST March 13, Governor Leon C. Phillips of Oklahoma called out his National Guard to prevent what he called an invasion of the sovereign right of Oklahoma to retain title to certain highways and domains, about to be flooded by a federal dam project, or to be paid for them from federal funds.

The clash was one more incident in a growing wave of opposition to what some consider the encroachment of the federal power upon state rights.

Now Governor Phillips, being an Oklahoman, must know that calling out the National Guard is equivalent to the old-time plainsman reaching for his shootin' irons. But it's just that serious.

Other governors have been hurling strong words toward Washington. An eloquent example was the visit of eight governors to the nation's capital last February. They went to protest, in words as vigorous as even a governor can use in public, against the Cole bill which, if enacted, would place control of oil production in the Department of the Interior, which means as of the present year into the hands of Secretary Harold L. Ickes.

Governors Ayers, Montana; Bailey, Arkansas; Carr, Colorado; Holt, West Virginia; Miles, New Mexico; Phillips, Oklahoma; Ratner, Kansas, and Smith, Wyoming, went in person. Several other governors sent representatives. They wasted no words in their united opposition to turning the control of oil in their states over to the federal Government. Among Governor Bailey's statements before the congressional committee considering the bill was:

> Are we just head men in "bureau provinces" of the federal Government, or really governors of sovereign states? Have we forgotten that the Constitution clearly defines the powers of the federal Government and the jurisdiction of the states? Back of this bill is the assumption I deeply resent, that the individual citizens and the local officials within the various states are too incapable, too indolent, or too dishonest to attend to their business. This is a subversive method of changing our system of government, without the people saying they want it changed.

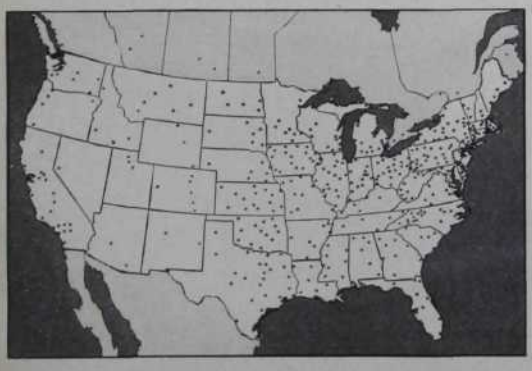
Governor Ratner declared to the committee that every oil-producing state except two now has well defined and well administered laws for oil conservation and, furthermore, most of these states have signed an interstate conservation compact. He continued:

> This bill would destroy the inherent right of the states to exercise their police power to conserve their national resources. State and federal authorities would both be attempting to supervise



This Burroughs dispatch system for speeding service calls in a metropolitan area has its counterpart in Burroughs offices everywhere.

THEY GUARD YOUR OFFICE against interruption



Burroughs maintains more than 450 service centers. Uniformly efficient local service—readily available to every Burroughs user—extends to every county in the United States, to every part of Canada, and to foreign countries.

Burroughs prompt, efficient local service is recognized by users as being without an equal for safeguarding the mechanical performance of office machines. Each man in Burroughs vast service organization is factory-trained, factory-controlled, and paid solely by Burroughs. Each is placed where he is readily available to render periodic or emergency service to Burroughs users in his territory, and his work is supervised and guaranteed by Burroughs. Such efficient service saves time and money, assures minimum interruption in office routine, and is a major reason why over a million businesses have decided in favor of Burroughs equipment.

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICHIGAN

Today's Burroughs

DOES THE WORK IN LESS TIME—WITH LESS EFFORT—AT LESS COST

the same oil pools, and producers would face a serious dilemma as to which power to obey.

Secretary Ickes, in whose office, according to a statement by a member of the committee, the bill was prepared, called the governors "obstinate profligates," and draggers of "red herrings." But those words, however meaningful, have not in any sense solved the problem.

It is difficult to compress into a small frame a detailed picture of how deeply the federal Government has encroached upon the original conditions of state sovereignty. The movement began long ago.

Last April 18, Congressman Hatton W. Sumners of Texas placed in the *Congressional Record* a speech he made February 26, 1925, in which he had complained that the federal pay roll had risen to more than 500,000 persons, and that the growth of federal power had become a danger to the republican form of government. In that speech, Mr. Sumners had said:

> Is there anyone who does not know that the total governmental responsibility concentrated at Washington is beyond human capacity to discharge through any agency susceptible of popular control? The present direction of movement is not progress, it is reaction.
>
> All true governmental progress must be in that direction which moves governmental power away from the central governmental agency, where it accumulates during the formative period, back toward the people, into those governmental agencies more directly under popular control.

It keeps on growing

TODAY the executive departments list more than 990,000 persons, and the cost of the federal Government is more than double what it was when Mr. Sumners made that speech.

The problem has become a major concern of all persons, in official or in private life, who fear the steady erosion of the rights of the states and local units.

The Founding Fathers established a Constitution with a clear division of powers. The federal Government was given specifically named powers and duties, such as the common defense, currency, commerce among the states and with foreign nations, and other matters clearly affecting all the citizens alike. Here were powers that could not be carried on effectively within each individual state. It would be better for one army, one navy, to protect our shores and our interests. Better for one set of rules to govern interstate commerce than for each state to make its own trade laws, bound to conflict with laws of other states.

All other rights and powers were reserved for the states, making them really sovereign in matters of internal concern, such as police power, education, local government, and public welfare generally.

It should be remembered that the states themselves are merely artificial political units. They are, in a measure, accidental. The boundaries of the original states were determined by charts and grants, and the later ones by arbitrary carvings from the maps of sparsely settled territories. Geographists spend many an odd moment rearranging the map of the United States along more sensible lines.

They declare there's no reason why the east half of Rhode Island shouldn't go to Massachusetts, and the west half to Connecticut; that Delaware should include all the peninsula formed by the Chesapeake and the Atlantic; that the two Carolinas,

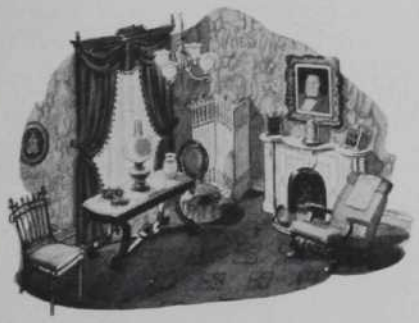
(Continued on page 66)

If the record of federal control were undeniable benefit, the people might accept



The story of the home . . . and the life insurance policy

MANY YEARS AGO, a man bought a house. Naturally, he furnished his home in the style of the day.



At the same time, he bought a Metropolitan Life Insurance Policy. Today, he still owns that policy, and he still lives in that same home.



But as times have changed, his taste in furnishing his home has changed, too. For example, the living room has been completely modernized. Here, as in other rooms, old-fashioned furniture has been replaced by up-to-date pieces. Electricity, telephones, and an improved heating plant have been installed in the house.



However, the physical appearance of his life insurance policy probably has not changed a bit. It looks exactly as it did



the day he bought it. Yet it, too, may have been modernized to the great advantage of the policyholder. For, as experience showed it to be possible, the Company was enabled to give *more* in many cases, than was called for in the original policy.

And, unlike the improvements to his house, which represent an outlay of cash, any additional benefits to which he is now entitled under his policy have been made available although no change in the premium rate was or could have been made.

▶ For example, a policy issued before 1915 did not provide for participation in the surplus earnings of the Company. Today, the holder of such a policy receives his share of the divisible surplus in the form of a dividend on his policy.

Many policyholders, who have found it impossible to continue the payment of the required premiums on their policies, have been delighted to find that the nonforfeiture values available under such circumstances are, in some cases, now much larger than those specified in their policies.

As conditions warranted, Metropolitan has also found it possible to increase substantially the amount of insurance payable under many of the earlier Industrial policies over the amount called for in such policies.

An important provision included in many current Ordinary policies is the right to have the insurance payable in the form of an income. This right was not included in early Ordinary policies, but has since been extended to them.

Provisions for additional benefits in case of death by accidental means, and benefits for loss of eyesight or limbs, have been added to Industrial policies issued before these benefits were regularly included in such policies.

▶ The changes cited above illustrate the progress that has been made in liberalizing the terms of Metropolitan life insurance policies, and in providing more benefits. Each change has brought the policyholder some real advantage which the original contract did not obligate Metropolitan to provide.

These improvements in old policies have been made voluntarily by Metropolitan as part of its effort to provide the policyholder with the utmost possible protection and service.

▶ If you are in doubt as to whether your old policies have become more advantageous since you bought them years ago, your Metropolitan Agent will gladly examine them and ascertain whether there are any additional benefits to which you may now be entitled.

COPYRIGHT 1940—METROPOLITAN LIFE INSURANCE COMPANY

This is Number 29 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company

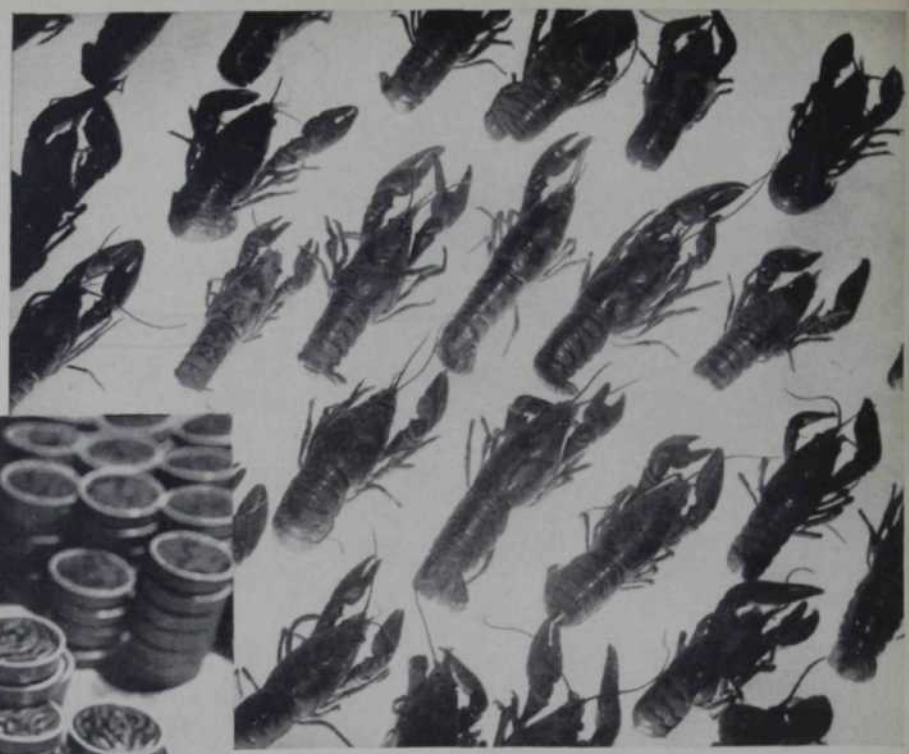
(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD • *Leroy A. Lincoln*, PRESIDENT

1 MADISON AVENUE, NEW YORK, N.Y.

Plan to visit the Metropolitan's exhibits at the ***New York World's Fair*** *and at the* ***Golden Gate International Exposition in San Francisco***

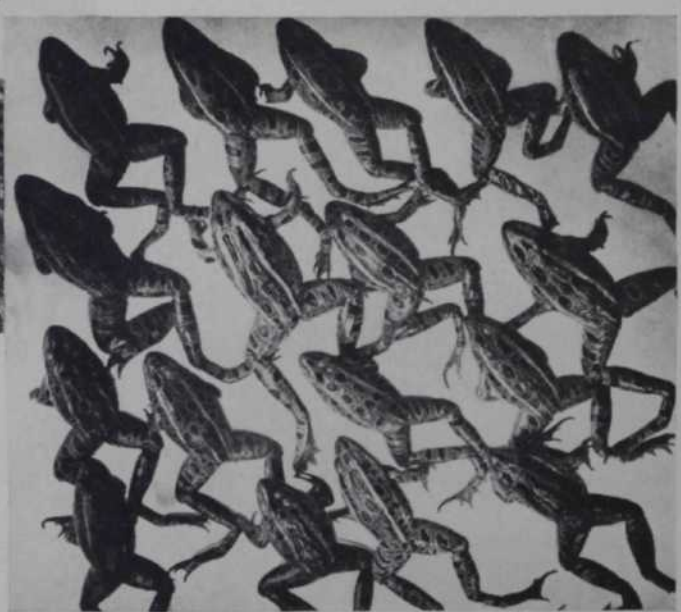
Packaged Fish Bait by the Ton



Barrels of crayfish at $500 a ton make choice lures



Bait is "embalmed" by secret process and packed in pocket-size cartons



Frogs are preserved in hermetically sealed concrete tanks until time for packing

WHEN George Day was a barefoot boy more than 35 years ago he had a boy's natural curiosity about frogs, bugs and crawly things. Any other youngster would have outgrown them; but not George. He started to cash in. Now the Day Bait Company, of Port Huron, Mich., is advertised as "the world's largest packers of natural bait."

The Day Bait Company puts out more than 1,000,000 packages of frogs, worms, crickets, grasshoppers, minnows, crawdads (crayfish) and salmon eggs every packing season. Even Australia and South Africa take Day products.

Day buys bugs and things by the carload. Grasshoppers come from the western plains states, and they bring $500 a ton to the farmers and college boys who "harvest" them.

County agents in pest areas spread the news when bugs are wanted. Husky young men, used to working with their hands as well as their heads, rig "hopper dozers" on the front of their flivvers and push them into a stubble field. The forward boom agitates the grasshoppers and they start jumping into the air, many of them leaping into the gaping maw. Once in they are trapped, and can't get out.

Up and down the field for a turn and the "hopper dozer" is full. They are taken out and put into slack barrels, alive. They must be packed alive. Poisoned pests are nix. The same operations, with varying demonstrations of ingenuity, take place in harvesting crickets. Mostly, these come from Colorado, and they bring as high as $600 a ton.

And worms! You'd be surprised. The Day Bait Company supplies a liquid, which, poured over the ground, causes angle worms to "come up for air." They cover the ground and are easily gathered into pails, tubs and barrels. A warm spring rain brings the worms out in like fashion, and there have been times when they were so thick on the ground around Port Huron that the whole town of boys joined the harvest. On one occasion more than $500 was paid out for the crop.

All bait may be wet packed, though in some cases dry packing is preferred. Grasshoppers, crickets and crayfish are first put through a secret dry-curing process which preserves them in their original flexible and natural state. These may be either packed wet in bottles (some fishermen prefer them that way) or they may be packed dry in pocket-size cartons with cellophane covers.

Besides natural bait, Day manufactures several items in pigskin lures. These are die-cut in various shapes. Three tons of pigskins a month are used during eight months of the year. Pork rind with a half inch or more of underlying fat is used extensively in cutting frog shapes. The rind side is then dyed green, the belly side left white, and girls with deft hands paint in eyes.

Girls are employed exclusively in stuffing the worms, frogs and things into bottles. There isn't a piece of bottling equipment about the place. The only mechanical devices used are the simple hand presses used to cut out the hog rind lures. The only real machines are in the office, where girls type, add, count and bill. The company, which is an unincorporated family affair, will gross approximately $100,000 a year.

—GLENN F. JENKINS



We've got to have those figures by four o'clock!

Calm yourself, Chief! We'll handle this on the new

MODEL M CUSHIONED-TOUCH

COMPTOMETER



NO GLARE!

Scientifically designed no-glare answer dials reduce eye-strain to a minimum, increase operator speed and efficiency, contribute to all-around "Comptometer Economy."



STOP! Operating errors due to imperfect manipulation are "stopped dead" by Comptometer's exclusive Controlled-Key safeguard. Result: remarkable first-time operating accuracy, increased economy.

NEW FEATURES OF THE MODEL M CUSHIONED-TOUCH COMPTOMETER

For faster, easier operation:

Lighter key-stroke
Flexible keyboard
One-hand subtraction

For minimized eye-strain:

No-glare answer dials
Larger, more legible answer numerals
Restful grey-green color

For greater quiet:

Mechanism floated in rubber
Scientific soundproofing

For improved appearance:

Canceling lever built inside case
New color and modern, simplified lines to harmonize with modern office interiors

• Whether in a figure-work emergency or the normal, efficient conduct of your business, Comptometer methods and Comptometer machines "deliver the goods"—*quickly, accurately and economically!*

That's why you'll find Comptometers "standard equipment" in the offices of the established *champions* and up-and-coming *challengers* among business and industrial concerns.

That's why the phrase "Comptometer Economy" means *more figure work handled in less time at lower cost* to so many executives.

And that's why the new Model M Cushioned-Touch Comptometer — which combines all the fundamental Comptometer advantages with many important improvements—is being greeted so enthusiastically!

May our representative in your community show you how Comptometer methods and machines can save your firm's time and money? Telephone him . . . or write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina Street, Chicago, Ill.



COMPTOMETER
REG. U. S. PAT. OFF.

Washington and Your Business

Plenty Bugles, Few Blankets

THERE are uneasy mutterings among the former A.E.F.'ians on Capitol Hill that conscription is all right and necessary, but that no one seems to be paying much attention to blankets and shoes for the conscripts. They remember the conscript camps of 1917, which were abundant mostly in flu and mosquitoes. The early talk of conscripting 12,000,000 men turned them sick, in view of the fact that even such elemental necessities as pants may not be available for an army of barely 400,000 men for almost a year. They hope the hysteria of 1917 will not be repeated, and they think it may not be but, if it isn't, the credit will be due to the Army. Staff Chief Marshall seems out to get all he can for the troops, but if he has his way men will only be called as they can be fed and doctored and blanketed and roofed. The orators seem to be forgetting these essentials and the important factor of time.

Do We Lose Six Months?

LOUIS JOHNSON began work as Assistant Secretary of War with a comprehensive and critical knowledge of the Army's defects and deficiencies. He worked 16 hours a day in familiarizing himself with the details of his job, won the admiration—perhaps not the true love—of the Army's heads and gained the confidence of industry. Then he was fired for politics' sweet sake. He opposed rampaging into war until we were ready for it, said that giving direct control of the utilities to a government bureau was a form of suicide, and saw the need of airplanes more than a year before any one else in the Administration did. The Army wonders how long it will take his very able successor to reach the same point.

Career Men in Stinging Pangs

ON THE whole the career men in the State Department like Secretary Hull better than any chief they have had back to and including W. J. Bryan. They would not say openly anything that might seem disloyal to him, even if all their training were not against such a course. But they are greatly disturbed by the Act of Havana. They say that the South American countries—it is nonsense to call them republics—want markets and when the time comes will get markets, no matter how many sweet smelling acts they sign. Meanwhile any one of them will borrow all the money from us they can, although not one has really good bankable credit. The career men say that it will be all we can do to enforce respect for the Monroe Doctrine and that we have not and never will have enough ships, men and money to defend the South American coasts. They say that their students of history do not recall any instance of a nation not at war practically committing itself in advance to a trade war against a powerful other nation or group of nations, especially when its citizens might wish to get all the trade possible. They have an acute form of diplomatic headache.

Look at the Boys at Play

THE PRINTER for one of the ace photographers of the city took a job with the Government not long ago. After a week or so he asked that he be given back his old job.

"I made 400 prints a day for you," he said to his former employer, "and every one I turned out was good. In the government shop I was not permitted to make more than 25. The slow pace was killing me."

Cities Stew in Taxation Juice

BUREAU of the Census reports that, in the past decade, the 200 leading cities made, broadly speaking, no gains in population. Reason is that residents are moving out to suburban zones, where air is better, schools are good, electricity available and mostly at city rates, and every one has an automobile. Hence the increase in city parking lots and slum clearance projects. Over at the S.E.C. another explanation is offered. From 1920 to 1930, says the S.E.C., suburban groups meekly permitted themselves to be scooped up by the cities for the sake of urban advantages. In the 1930-40 decade the suburbanites were alarmed by increasing city tax rates and refused to play.

Jesse Jones is Still Looming

UNDER a recently enacted statute which permits the Government to form a corporation not under state laws, the Government is cooperating with manufacturers to buy a sufficient supply of rubber to fill national need for almost any emergency. The R.F.C. will lend the full amount required for the purchase of the rubber and will share with the manufacturers the approximately $5,000,000 required for clerical work, storage and handling. Congressmen say this efficient short cut to a necessity was only agreed to because of their confidence in Jesse Jones. That gentleman has never been fantasied into a departure from business methods. The new corporation has been functioning at top speed ever since it became evident that Japan might be able to cut our rubber supply. At this time they are thankful they have a Jones in stock.

They Don't Like Some Prospects

THE same congressmen, however—loudly grateful for a Jones—are worried over what they think is the increasingly socialistic trend. They point out that business men are so cynical about the Administration's attitude toward business—taxes, surplus profit taxes, wage-hour law, N.L.R.B., amortization—that they are urging that the Government erect and tool the new factories needed for the defense program and merely hire them to run the works. They suspect that when the emergency, if any, is at an end the Government will find itself with factories on its hands. Then, as in the case of the T.V.A., the argument will start that the Government use them. Enter Socialism.

Another Hanes Brother Speaks

THESE congressional reflections add emphasis to the letter addressed to the American Banking Association by its president, Robert M. Hanes, and which has attracted wide attention in financial circles. He asked the banks to carry on an intensive effort to inform the public of their desire to handle every financial need. The bankers, he said, are eager to work with industry and business to the end that both shall be preserved.

"My own belief and that of others to whom I have talked is that the (defense) financing can be carried on through

the normal existing channels, without the creation of new agencies, mechanisms, or devices. A great many who are getting government business seem to have the impression that they should also accept government financing. This we disagree with heartily, because the banks of the country were never in position to furnish credits in such volume as they are today."

Inquiry in Washington seems to show that the ruling classes—Corcoran and Ickes and Hopkins and Wallace and their companions—stand pat on government loans to industry. Note what the congressmen said about Socialism.

Just a Little Spot of Venom

NO ONE had more to do with the 1932 election of President Roosevelt than Charles Michaelson. Not even Jim Farley. Michaelson's smear-Hoover newspaper campaign set a mark in political journalism that has not been touched since Andy Jackson tried to cut off an editor's ear. Mr. Michaelson, however, now spends much of his time in the card room of the National Press Club. If he is aiding E. J. Flynn of the Bronx no one has heard of it at the time of writing. Mr. Michaelson seems cheerier, plumper, more prolific of anecdote and abundant in laughter than he has been since Mr. Roosevelt gave him a short ride back in 1938. Nothing is sure in politics, of course. Mr. Flynn may kiss him back.

Don't Throw Out Your Gold

REPORTS in Washington are that Germany cleaned up a good deal of gold in its blitzkriegs. The total may reach into the billions, what with the public and private credits and metal which have been seized. Through the megaphone the German financiers have been shouting that gold no longer has any value, but a little corner whispering is to the effect that, when the war ends, the Nazis will be in the market for a $50,000,000 loan from the United States. The acoustics have been poor, however.

Nice Note of Cheer Sounded

IN A correspondence on this same matter of gold B. P. Allen, vice president of the First National Bank of Wabash, Ind., wrote a paragraph which is in such contradiction to the fear and fuzziness and uncertainty that prevails in some official circles in Washington that it should be printed:

> With proper handling, America can have a new era of prosperity not now envisaged. England's dominance in world finance is ours if we have the courage. International clearances with its large revenues is ours if we keep calm and cool. Shouldn't it be our job to fight for sanity in government, the elimination of the squandering of public funds, the extermination of class hatred, a greater understanding between industry, business and banking; a welding of a better relationship between citizens, public officials, and bankers who have guts; and then the gold, plus our production of commodities and goods, will make America dominate the globe.

Two Chances, Both to Lose

FRANCE will have a credit balance of more than $1,000,000,000 in gold over here, even after all her contracts have been taken over by Britain or the United States. France wants the money. Our officials hold that, if the Petain Government were given its share of the total the Germans would take it away and, if the unoccupied portion of France were to be given its share, the Germans would go in after it. Our Government would be willing to use the money in buying food for the starving people in France if the British would lift the blockade, which the British would not do because Germany might be aided thereby. In any case the Petain Government seems to feel that we should not ask them to pay for the food, but should send it as a gift. Whatever we do will be wrong.

Scissors for Paper Dolls

JUST to clear away any uncertainty, it should be made clear that, if the Inter-American bank is ever set up, equipped with a federal charter and a new hatful of laws and all the money it needs, there will be a board of 21 directors. Twenty of them will be Latin-Americans. Argentina is the only Latin-American country with even a passable credit rating. The 20 can outvote us. All the money will be ours.

Sound Sense in This Scheme

MEANWHLE some of the oldtimers in the Department of Commerce are trying to find out what new and old products South America can offer us and which we would gladly buy. In that way an exchange trade could be developed and both sides could keep out of sticky politics. We normally use about 50,000 tons of rubber monthly, and Brazil once had the market and let it get away. There are innumerable gums for use in plastics, and tomorrow's airplanes may have plastic wings. Some of the other products are drugs and herbs, copra, cocoanut oil, palm oil, rare woods, hemp, jute, sisal, furs and hides and a host of others. They only need consumption here and production in South America.

"Tumult and the Shouting Dies"

CONGRESS has not as yet paid much attention to anything except granting money for the defense program, and battling over the ways of getting it out of the taxpayer. The proposition to give the President authority to send the National Guard out of the country—presumably into the Caribbeans or Latin America—has aroused an immense amount of headshaking. Practically no one on The Hill seems to believe that, even if the Nazis won a total victory in Europe, they would attempt a sea-and-land invasion of Latin America immediately. Hence our National Guard would not be needed down there immediately. If the N.G. is to be sent to any Latin-American country to quell a political party that does not think precisely the way we do—

At this point congressmen begin sucking in their lips. Election is ahead. Many of them believe that the boy from whose head William Tell knocked an apple ultimately got a shot through the eye. They are practicing caution.

Seems a Shame to Tell This

BLUEPRINTS of the next pension plan have already been drawn up. The general theory is that the pension shall be large enough to permit the beneficiary to live on a scale approximating that he or she had enjoyed before the war.

Add that to William (A.F. of L.) Green's demand that, during the training period, conscript soldiers shall be paid enough so that the folks at home will never miss the pay envelope and it is evident that the war fever has its colder moments.

One Old Tradition Still Standing

AMERICANS have been told that we are a nation of riflemen and it really seems to be true. Riflemen are not just born, of course. They are made. But it is certainly true that we make more fine rifles and hand-guns in this country than in all the rest of the world put together. There are more riflemen who could bark a squirrel if called on in the National Rifle Association than in all the rifle associations of all the world. There are, broadly speaking, no handgun artists anywhere else.

The intention of all this is to call attention to the fact that tradition must have some weight with our people,

for hidden in small mountain villages is the flourishing industry of making the same old-fashioned Kentucky rifle that Dan'l Boone shot.

Head-Shaking is Now Prevalent

EVER since the introduction of the Logan-Walter bill for the bridling and saddling of the government bureaus interest in their oddities has been growing. Here's a sample:

The Post Office Department barred a Chinese doctor from the mails. He went to court, alleging that the drugs he used had been in the Chinese materia medica for 2,000 years, and produced many witnesses who testified that the Chinese drugs had cured them. The verdict of the court was in his favor.

The Post Office still bars him from the mails.

A Sour Note of Prophecy

LOOKS as though the League of Nations is striving to get back into the gravy boat. All its loving European companions have withered and gone, but the indications are that what is left of it—about 85 clerks in all—will be set up at Princeton. Any one's guess is that the Government of the United States will be asked to pick up the check. Already being talked of on The Hill.

This is Funny But Quite Sad

TESTIMONY in official circles now is that Attorney General Jackson will compel Thurman Arnold to hold his fire in his plan to divorce pipe lines and other oil company subsidiaries. It has become clear to Jackson that, if the oil and pipe line companies were to be taken apart, a state of confusion would be created which—using Jackson's own recent formula—would make a Fifth Columnist out of Arnold. Clandestine understanding is that when the present emergency, if any, is at an end Arnold may go ahead with his shooting.

Tangled Thread Being Woven

MORE administrative complications arise at this point. Some of the New Dealers usually regarded as neither bindable nor holdable want to get rid of Arnold. It appears that he came to Washington with certain crusading ideas, which were most acceptable to the Dealers referred to. Practical experience in dealing with laws, courts and business men has cooled off Mr. Arnold. Therefore the New Dealers would like to get a glimpse of him going over the hill. Unfortunately, Mr. Arnold wants to go home and write a book about his discoveries, which is precisely what they do not want him to do. It is all very sad.

Watch Aliens in Your Midst

NO ONE wants to start any red hunt or point to point races after spies, or anything of that sort. The soothing fact seems to be that, although there is a good deal of whooping and hollering, not many spies or saboteurs have been found.

Nevertheless employers should know that the law enacted in June bars aliens from work on certain defense contracts. Intention is to enforce it.

Lewis in a Box Canyon

POLITICAL opinion is that John L. Lewis, who used to be boss of the C.I.O. and seems not to be quite as much of a boss as he used to be, has roared himself into a box canyon and then locked the box. No one seems to be listening to him. Friends are requested not to send flowers for a little while. He's done it before and then climbed out of his canyon noisier than ever.

Three Years of Ordnance Work

PRESENT information is that the gun and shipbuilding business, with its subsidiary activities, will run not less than three years. Eleven billion dollars, more or less, will be spent in the next year, of which about $4,000,000,000 will be deficit financing. The remainder will be taken from the tax pocket. Thereafter armament building will presumably continue at a slightly lessened speed, but the plan is to make it a permanent affair.

Look at the Hidden Billions

SENATOR BYRD of Virginia is again digging into the affairs of the 31 government corporations and their 1,476 subsidiaries, by the authority of a Senate resolution directing the Secretary of the Treasury to procure for him as quickly as possible financial statements showing their debts, assets and commitments. He calls them the "incorporated bureaucracy" and "the fourth branch of government." It seems incredible, or would seem incredible if anything could be incredible nowadays, but it appears that they have made commitments which may amount to anything from $15,000,000,000 to $25,000,000,000. Their accounts are so confused at present that no satisfactory analysis can be made. They seem actually to have lent $5,000,000,000 of money raised on their own notes.

Free as Robins in a Garden

FOR the most part they are subject to no control whatever. They have been doing as they pleased, raising money at will, and spending it as they pleased. The interdepartmental borrowing is a hideous maze. Some agencies charge interest on their loans to other agencies and some do not. Some enter such transactions on their books as debit items and others rate precisely the same thing as an asset. The most hopeful phase of the situation is that the incomplete and often inaccurate replies to Byrd's similar inquiry of 1939 produced some of the fundamental facts on which a thoroughgoing inquiry can be based.

Food Control is Being Planned

BEDPLATES are being laid for a food control administration, to go into operation if and when a real emergency develops. Prices will be policed, if necessary, and production governed from on high. Nothing to be done until need arises. George Livingston of the millers' national organization will be in charge. Government analysts think prices and wages will rise, but efforts will be made to keep the boosts within limits.

Knudsen Won't Play Politics

CHAIRMAN KNUDSEN and his associates of the Defense Commission seem to be getting along nowadays without the aid of the volunteers from the politburo who tried to tell them what to do. Some little time was wasted, according to gossip, in listening to these gentry, and then Mr. Knudsen and his men knocked their horns off one by one. Knudsen's statement that the total production of planes would be 895 in August and a few less in September was traceable to his disgust at statements that the plane manufacturers would soon be producing 3,000 a month. That top will not be reached until fall of 1942, if all goes well, and Knudsen said so. Hereafter a decrease in windage is to be expected from the politburo. Knudsen does not like it.

Herbert Corey

Ozark Flavor Booms Market for Fried Chicken



Boxes awaiting shipment each contain 100 chicks—700,000 of them are supplied every 21 days by 17 hatcheries in the area



Dry-ice refrigerators, serviced with water ice, are used for shipping hatching eggs



Fried chicken and French-fried spuds —eat with fingers

TWENTY-ONE YEARS ago Mrs. Earl Bagby of Benton County, Ark., bought an incubator and insisted that she could make money by raising frying chickens out of season. She sent her protesting husband over more than 100 miles of rough hill country in a horse and buggy on a search for hatching eggs. Today that same area in the Ozarks uses 100,000,000 pounds of chicken feed annually to support the industry founded by the Bagbys.

After a few years' experience the couple bought an 80 acre farm for chicken raising. Neighbors became converts to the frying-chicken industry. The nearby town of Cave Springs, population 200, became center of the industry and production mounted to quotable figures in six years. Chicago and other metropolitan markets absorbed the entire production at high prices. A nest egg of nearly $7,000,000 was laid in the laps of 1,500 farmers in 1938 and again in 1939 in parts of Benton and Washington counties or an area of about 25 square miles.

The community produces many one and one-half pound "fryers," but most of the chickens are heavier—weighing up to four pounds. A specially developed routine of care is presumed to give them exceptional tenderness for such large fowl; extra flavor appeal and fine appearance. Metropolitan markets classify them for special display under the trade name of "Arkansas White Rocks."

Surest sign that the industry is maturing is that there are already old-timers who lament the good old days of high prices. An average of 22 cents a pound is good now, with production cost around 15 cents. Most producers choose to produce in volume at lower profits.

The most successful producers start three crops yearly, have from two to 20 brooder houses and from 1,000 to 10,000 broilers per crop. Commercial formulas have been found most successful for feeding. Marketing is done by buyers who ship or truck to market at their own risk. Broiler-raising requires night and day care as specialized as hospital routine and, though the profits are good, heartbreaks, long hours and failure are just as common as in any other enterprise.

Marketing of Arkansas' White Rock broilers has been aided by metropolitan restaurants who feature Ozark products because the name connotes a distinctive flavor in fruit or meat. Others have found new ways to "egg on" America's taste for fried chicken. Bishop's in Tulsa heeded a columnist's plea for the right to eat fried chicken naturally by creating "Chicken in the Straw." This gourmet's dish is half a "fryer" cut for easy eating, fried and nested in French-fried potatoes, served without cutlery. Cellophane wrapping with distinctive labels is another aid and the Junior Chambers of Commerce who formed the Ozark Empire Fruit Growers Exchange are ready to lend their aid to the broiler producers if it ever becomes necessary. —H. D. ROBARDS.



"Will somebody please straighten us out?"

▶ "When Mary and I were kids, we sometimes used to come up here after school; we'd sit here under our favorite tree and try to imagine what the world would be like when we grew up. We never had any doubts about the future in those days.

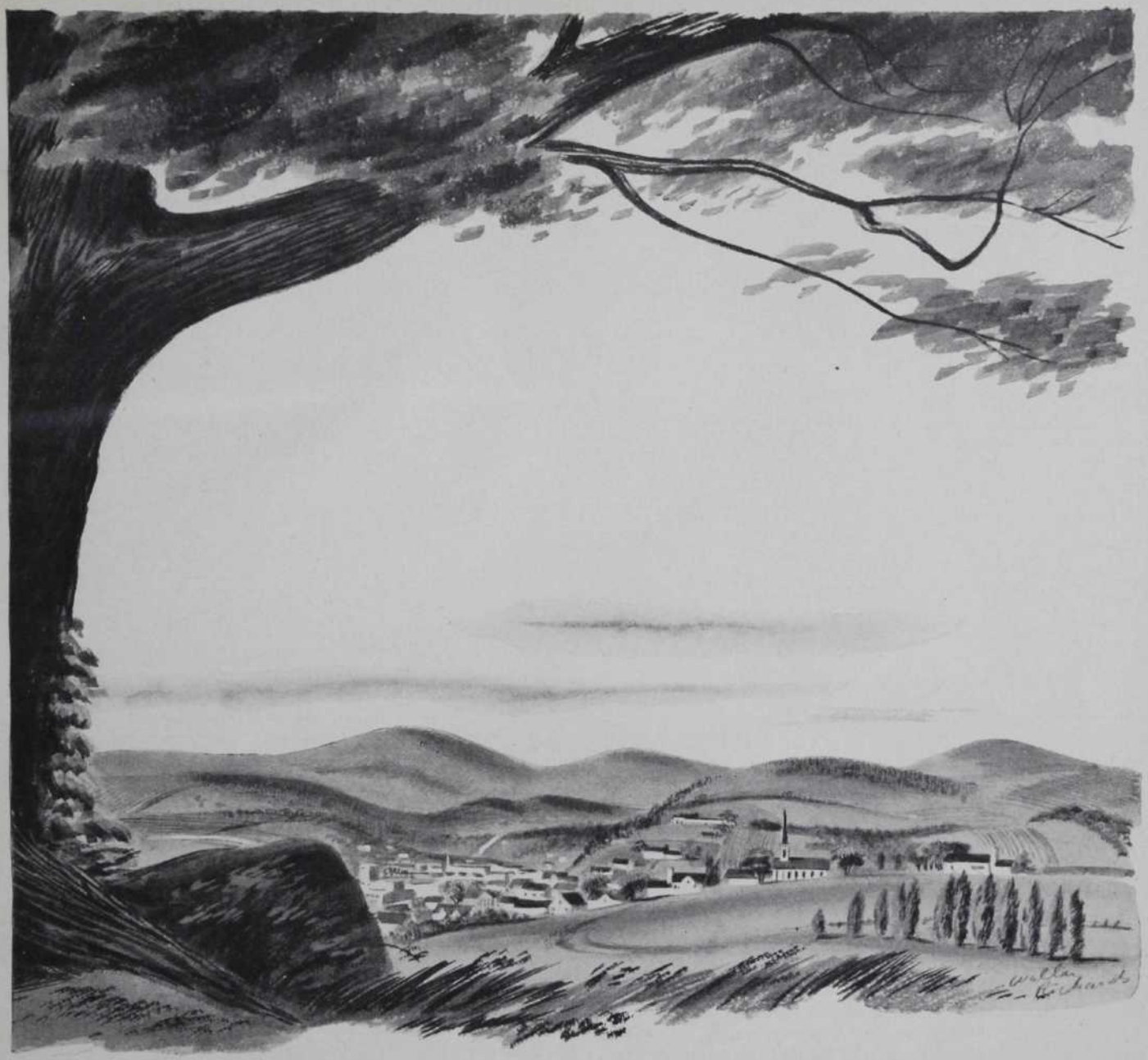
"Today we aren't making any guesses about the future—ours or anybody else's. It's not just the war that has confused our thinking, but the things that are happening right here.

"We're seeing class hatreds spring up in a community where everybody used to know everybody else. We've been told that labor is being exploited by industry, and that industry is being straitjacketed by labor, and we don't know what to believe.

"Some people tell us that the individual doesn't count any more, that youth ought to organize and demand its rights. They say that America has reached the leveling-off stage, that the golden age of opportunity collapsed back in the 20's.

"Is that what our business leaders think?

"And what are *we* supposed to think when the whole country seems to be divided against itself?



Does anybody know the answers—and if so, will somebody please straighten us out?"

* * *

▶ Nine million young Americans have come of age in the last four years. They will be voting for the first time in a national election this fall. Most of them want to build homes and raise families and buy cars and radios and groceries and insurance.

Talk with these young people and you find that many of them are frankly bewildered. Even among their elders you often find much doubt and confusion these days.

The confidence people have in America is no greater than their faith in the men at the head of it. And their confidence in a product can be no greater than their faith in the company behind it. That is why an intelligent public-relations program is so vital to the success of any big company today.

For it is the job of public relations to win people's confidence in your company, to give them a clearer picture of how you do business. And if you check the companies that have been most successful in building this kind of confidence, you will find that *advertising* plays the major role in their public-relations program.

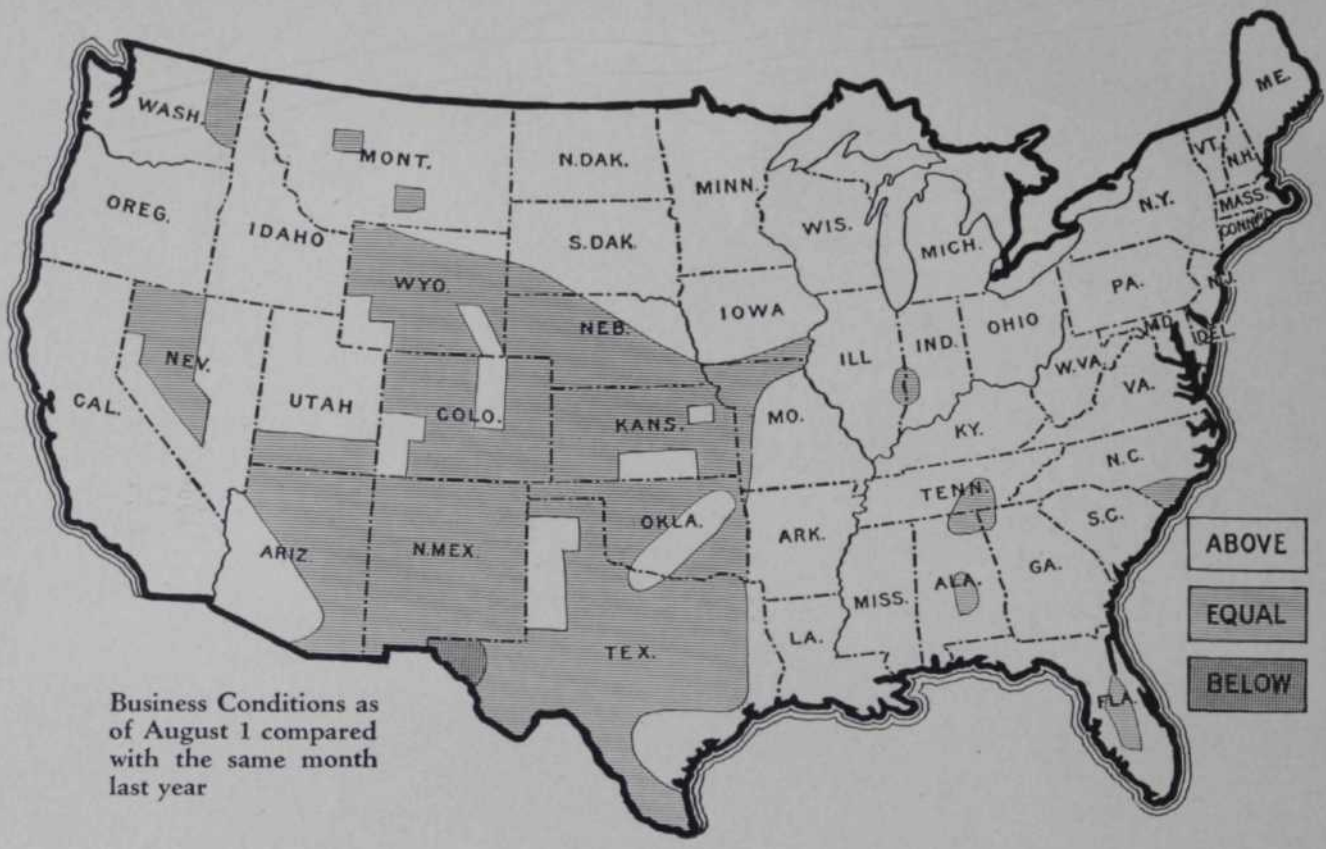
They will tell you that such advertising pays its own way—not only by creating additional goodwill—but by increasing sales.

THE CURTIS PUBLISHING COMPANY

THE SATURDAY EVENING POST LADIES' HOME JOURNAL
COUNTRY GENTLEMAN

The Map of the Nation's Business

By FRANK GREENE



Business Conditions as of August 1 compared with the same month last year

JULY industrial operations, aided by increased activity in defense preparations, held fully up to the June level. Steel mill operations went above 90 per cent of capacity, a new peak for the year. Naval orders have insured continuous operation of ship yards for years to come. Machine tool and aircraft plants expanded for the record accumulations of orders. Railway equipment purchases were large and carloadings held at the high levels of June.

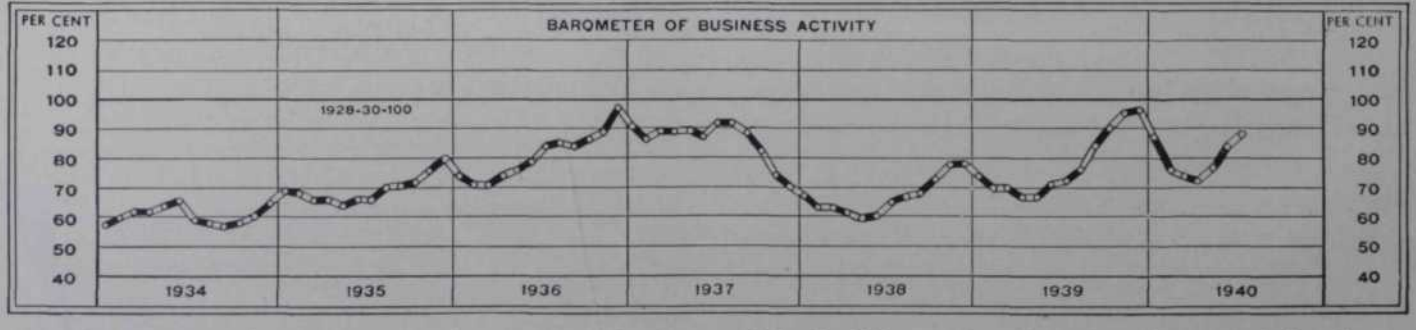
Automobile production tapered off for model changes but sales continued 30 per cent above July, 1939. Electric equipment manufacturers and electricity output approached previous records. The Defense Program was also felt in the sharp increase of engineering awards to 92 per cent above last year.

Security values rose but transactions reached a low for 22 years. Commodity prices moved narrowly with trading dull, due largely to loss of foreign outlets. Wholesale markets experienced active buying and all branches of retail activity showed encouraging improvement.

Good backlogs of unfilled orders and better consumer buying helped to further brighten this month's Map



The map of last month



After allowing for usual seasonal movements, business activity in July continued moderately upward for the fourth successive month to equal approximately the rate of last January



Check your oil, Sir?

The friendly phrase, "Check Your Oil?", familiar to millions of motorists from coast to coast, now has a new meaning.

For today oil is "checked" another way, too. By means of chemical synthesis the chemist has produced an oil-resistant rubber which in many ways is better than the natural product. It checks oil attack on tubing, hose lines, footwear, belting, gaskets and numerous car applications where this destructive attack is common and costly.

Synthetic rubber of this type is made possible by Acrylonitrile . . . produced by a new chemical process recently developed in Cyanamid's laboratories and now manufactured commercially by the company for the first time in this country.

Could this rubber, of which Acrylonitrile is an essential part, make the U. S. independent of natural rubber? Probably.

We do know that it is a superior product in many respects—most particularly the property that Acrylonitrile contributes—resistance to gasoline, grease, light, heat and abrasion. The Acrylonitrile type is remarkably uniform and maintains its excellent characteristics longer than the natural product.

In the home this new rubber is giving longer life to aprons, bath mats, soap dishes and all rubber goods which are adversely affected by oils and greases.

So again, Cyanamid, with its broad experience in nitrogen chemistry, has produced from one of its basic products, calcium cyanamide, an extremely active chemical—Acrylonitrile—with many uses, of which "strategic" rubber is but one.

American Cyanamid Company

30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

CHEMISTS BUILD NEW INDUSTRIES



IN CASE YOU THINK THIS IS ONLY A CHAIR...

You don't know the half of it!

It is really a mobile device designed to save the energy of people who think in a sitting position.

People like yourself.

Name just one device in your business that is more on the move than your own office chair. It is dragged, shoved, lifted, turned, hitched, wiggled, swayed. And that spells mass-in-motion, even if the speed is slower than an airplane, and the power has to be provided by your own various and sundry biceps.

Aluminum makes *this* chair light. It is fashioned ingeniously out of strong alloys of Alcoa Aluminum. Its maker designs it for comfort, welds it into sturdy one-piece construction that says good-bye to ordinary maintenance. He enhances the natural beauty of aluminum with lovely surface finishes, adds clever adjustable features, and gives you a chair you'll never want to part with.

All of which starts with the fundamental principle that whatever moves or has to be moved is better, when built light and strong out of alloys of Alcoa Aluminum.

Light things move easier, faster, cheaper. Making things light is *the* profitable principle in design. And Alcoa Aluminum is *the* economical material to use for lightness with strength.

Our know-how is at your disposal. Aluminum Company of America, 2125 Gulf Bldg., Pittsburgh, Pa.

ALCOA · ALUMINUM

Are Peddlers a Nuisance?

Green River Ordinance So Labels Them, but Courts Disagree

Out-lawing competition is more popular in some small towns than out-merchandising it. An instrument frequently used for this purpose is the well known Green River Ordinance which takes its name from the town of Green River, Wyoming, and has this prohibition:

The practice of going in or upon private residences by solicitors, without request or invitation to do so by the owners, for the purpose of soliciting orders, is hereby declared to be a nuisance.



While protection of the householder from annoyance is the declared object of the ordinance, the real object, as everyone knows, is to prevent outside competition with local merchants. There has been no organized demand for such "protection" from housewives. On the contrary, in two cases where the adoption of such an ordinance was passed on by householders (Palo Alto, Calif. and Aberdeen, S. D.) it was disapproved.

Many house-to-house salesmen are welcomed by their customers. Commodities that now sell well in retail stores have been in numerous instances introduced first by doorbell ringers. These salesmen built markets for such items as silk hosiery, aluminum kitchen ware, diversified brushes, and in the rural districts, cosmetics and flavoring extracts. Most of the labor-saving electric appliances in the home were placed there by salesmen who knocked on doors and demonstrated their products. When a lumber dealer gets an order for housing insulation he can thank those patient house-to-house salesmen who popularized insulation. The newsstand dealer will testify to the debt he owes to subscription salesmen.

The problem of the Green River Ordinance advocates is to try to restrict only outside salesmen. When they draft an ordinance raising the bars against these "furriners" they can argue in its favor that outsiders contribute nothing to the town and are taking the bread and butter from local people. But here it runs into constitutional law, as interpreted by the Maryland Court of Appeals and other courts. Discrimination against non-residents is invalid. To include salesmen for local firms defeats the purpose.

Actually, various studies support the findings of a University of South Dakota survey revealing that 95 per cent of all direct salesmen support local activities, pay local taxes and buy from local merchants. Many of those employed by proscribed out-of-town firms live in the towns where they work.

In effect, the text of the ordinance prohibits anyone from knocking on any door without "request or invitation." And the Wyoming Supreme Court's interpretation affirming its constitutionality ruled that even the seeking of invitations to call is forbidden! Literally enforced, it would bar policemen selling tickets to their annual ball, or the budget committee of a church or charitable organization.

On the whole the Green River Ordinance has suffered badly at the hands of the high courts. Only three states have upheld it: Wyoming, Louisiana and Colorado. The higher Courts of Florida, Oklahoma, South Carolina, Virginia, Maryland, Nebraska and Georgia have ruled the ordinance invalid. Grounds most commonly cited are that it is not a valid exercise of police power, that it does not properly define "nuisance," and is discriminatory.

The United States Supreme Court declined to review the Wyoming ordinance as involving "no substantial federal question." However, in a closely parallel case, the high court at Washington held a local ordinance prohibiting the house-to-house distribution of pamphlets, handbills and religious tracts to be unconstitutional. The Court considered that free speech and religious liberty were imperiled. Presumably it felt that the right to canvass for the purpose of winning converts to a religious sect is more sacred than the right to go from house to house selling goods.

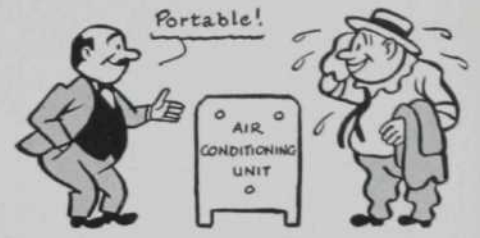
An ironic instance of this competition by legislation came to light in the Fertile, Minn., case decided adversely to the ordinance by Judge James E. Montague. The Judge remarked from the bench that a Minneapolis firm had manufactured enameled metal signs for roadside display and sent a salesman out to sell them. The signs read: "PEDDLERS-SOLICITORS NOT ALLOWED. We enforce the Green River Ordinance." This salesman not only placed his signs with towns that had the ordinance; he went into other towns and agitated for the ordinance. Crusaders for home town business forgot their own sign painters!

—GARVIN CROONQUIST
Minneapolis, Minn.

Portable air conditioning sales are reported as making great headway. A variety of these units that may be installed as easily as a desk or a radio are now on the market. They range from 25 down to ⅓ horsepower.

A small window air-cooled unit needs only to be plugged into an electric outlet, while the larger types also require a water-pipe connection.

This "packaged" air conditioning is popular for offices, hotel and hospital rooms and tourist camps where summer cooling is desired and complete air-conditioning systems are too expensive.



A hotel is able to charge a premium on individually air-conditioned rooms, or through these installations to rent rooms that otherwise would be undesirable in mid-summer.

Philco recently made a special mailing of 460,000 pieces of portable air-conditioning advertising. A total of 340,000 of these were directed to professional groups, assisted by advertising in the medical, dental, legal, architectural and other professional journals. Most popular of the Philco units is one selling at $129.50, says Harry Boyd Brown, air-conditioning manager.

Milk Bars as an added outlet for dairy products are being sponsored by the National Dairy Council. They are described as a cross between a soda fountain and a quick lunch counter. Some are permanent, others temporary and seasonal, or set up for a single occasion. Small mobile bars on wheels serve chiefly for dispensing milk, ice cream and cheese at social functions or in stores that have no lunch counter.

The idea came from England where it is credited with having increased the consumption of milk by 99,000,000 gallons in



the first year after its adoption. Over there the milk bars promote hot milk soups in cold weather.

Opposing price fixing through "fair trade" laws, Louis A. Bader, New York University School of Business, told New Jersey retail jewelers at their annual convention:

The suggestion of business men to repair to the lawmakers for redress against the darts of fortune is usually adopted by the consumer. It would not be surprising to see some revolutionary legislation sought by consumers as a result of the success of retailers in obtaining price maintenance laws. —FRED DEARMOND

MAN TO MAN in the MONEY MARKETS

By CLIFFORD B. REEVES

Tax Tangle Stymies Defense

IT BECOMES more and more obvious that acceptance of contracts by corporations for production of defense materials is being slowed down by fear and uncertainty regarding the Government's policy on taxes and depreciation allowances. Unless these questions are satisfactorily settled soon, defense production seems certain to bog down.

Industrialists are not seeking large profits out of national defense orders, but they are eager to avoid large losses or bankruptcy. They remember the financial jams into which many corporations got themselves after the World War when they were suddenly left with large productive capacity for which they had no use, and which constituted a drain on their earnings for many years.

The crux of the matter is the rate at which corporations that build special plants for war production will be allowed to charge off such properties. The present tax law provides that any plant built especially for war purposes shall be depreciated at the rate of ten per cent a year for the first five years. Then, if defense production stops, and provided the Government is convinced that the plant cannot be used for any other purpose, the remaining 50 per cent can be charged off in the sixth year. The rub here is that the decision regarding the final 50 per cent rests solely with the Government which may claim that the corporation in question might put the plant to some conceivable use. Difference of opinion between the Government and corporations on this point after the last war led to a great deal of long and expensive litigation.

One possible solution of this problem would be to have such special purpose plants purchased or built by the Government itself and turned over to private corporations for operation. Then the write-off of the plant investment would not be a problem for the corporation. This method was followed in connection with a recent order placed by the Defense Commission for the production of aerial cannon.

Another solution might be a revision of the present tax law to provide fixed, rather than discretionary, rates of depreciation. No matter what scale was adopted, corporations would at least know where they stood on the matter and could govern themselves accordingly.

Still another method of solving the problem might be to handle the matter of depreciation rates not through the tax law at all, but in the individual contracts awarded for defense materials. This would assure complete agreement in advance between the Government and the corporation, and would provide highly desirable flexibility to take care of special cases.

The vacillation in the matter of excess profits taxes is also delaying the defense program. The present tax law provides for an excess profits tax, but the President is now recommending a "steeply graduated" tax which presumably will supplement or supersede the present tax. It is difficult for business men to figure their costs on defense production until the final schedules of excess profits taxes are determined.

Arnold Continues To Harass Business

IN VIEW of the obvious need for the closest possible cooperation and good feeling between Government and industry in connection with the defense program, many people had hoped that Thurman Arnold, Assistant Attorney General, might lighten up on his vindictive "trust-busting" activities. But apparently Mr. Arnold is not going to let national defense upset his campaign of bringing criminal indictments against business men on highly debatable grounds.

Having already attacked the oil industry, finance companies, dairies and others, Mr. Arnold now has the tobacco and movie industries on the griddle, and has just recently brought suit against Johns-Manville in the building industry. Presumably, he will get around to other industries as soon as possible.

If Mr. Arnold were trying deliberately to create dissension between business and Government at a time when harmony is most needed, he couldn't be doing a better job. His tactics comprise the finest possible method of upsetting industrialists and taking their minds off their business at a time when their talents are most needed in the national interest.

Investment Trusts As Underwriters

THE Securities and Exchange Commission has felt for some time that investment trusts might perform a useful and profitable function by devoting a portion of their funds to the actual financing of growing businesses instead of putting all their funds into outstanding market securities. Many investment trust managers also held this point of view and, accordingly, specific provision for such development activities was incorporated in the Investment Trust bill now before Congress.

Meanwhile, in the case of the recent sale of the Newport News Shipbuilding and Dry Dock Company, a group of the country's leading investment trusts demonstrated one way in which they can provide a valuable supplement to the facilities and services of the usual investment underwriting houses.

The Newport News company, one of the largest shipbuilding companies in the country, had been a closely held corporation since its inception in 1886. Its principal owner was Archer M. Huntington, whose forebears had founded the business. He and certain charitable and art organizations to which he had donated stock, held a seventy-five per cent interest in the company, the balance being held in the H. E. Huntington Estate.

Mr. Huntington and the other owners wished to sell their interest. The usual procedure would have been to register the issue and make a public offering through an investment banking syndicate. That, however, would have involved Mr. Huntington in certain responsibilities and liabilities under the Securities Act that he was unwilling to assume. So a private sale, rather than a public sale, was determined upon.

Many investment banking houses that ordinarily might have been willing to buy the stock outright and later register it themselves as owners, for resale to the public, found the issue unattractive because of the long period during which they would inevitably be locked in the situation



"AT THE LOWEST POSSIBLE COST"

Keeping rates low, in the face of rising costs, has been one of the outstanding achievements of the Bell System.

This would not have been possible without efficiency all along the line, economies resulting from centralized research and manufacture, and a sincere desire to serve the best interests of the public.

BELL TELEPHONE SYSTEM

WHAT EXECUTIVES SHOULD KNOW ABOUT LOANS FOR EMPLOYES

WHEN one of your employes needs a loan to meet an emergency, he's likely to want to borrow from the company. But your company may not have a loan plan for employes. Few companies do. Most companies feel that the task of making small loans can be better performed by a special organization.

Where workers can borrow

In some plants employes have established their own credit unions. But most employes must borrow elsewhere. The worker's need for a legitimate source of credit has been recognized in most industrial states. These states have passed legislation making possible the operation of the family finance company such as Household Finance.

At Household Finance the responsible worker can borrow up to $300 largely on his character and earning ability. He needs no bankable security, no guarantors or endorsers. For his protection the law regulates the transaction. Last year Household made over 800,000 loans to workers in all branches of industry.

Borrowers at Household repay their loans in convenient installments which average less than 8% of their monthly incomes. Thus they can get out of debt without strain or sacrifice of living standards. Here are some typical loan plans.

AMOUNT OF CASH LOAN ▼	AMOUNT PAID BACK EACH MONTH Including All Charges				
	2 mos. loan	*6 mos. loan*	*12 mos. loan*	*16 mos. loan*	*20 mos. loan*
$ 20	$ 10.38	$ 3.63	$ 1.95		
50	25.94	9.08	4.87		
100	51.88	18.15	9.75	$ 7.66	$ 6.41
150	77.82	27.23	14.62	11.49	9.62
200	103.77	36.31	19.50	15.32	12.83
250	129.71	45.39	24.37	19.15	16.04
300	155.65	54.46	29.25	22.98	19.24

Above payments figured at 2½% per month and based on prompt payment are in effect in Massachusetts and several other states. Due to local conditions, rates elsewhere vary slightly.

Families learn to avoid debt

Household believes that families should avoid unnecessary debt. So to borrowers—and to others who request the service—Household's home economists give guidance in money management. From Household's practical booklets on money management and better buymanship families learn to save on daily purchases and get more out of limited incomes. These publications are now used in many schools and colleges.

Why don't you send the coupon for further information about this helpful service for employes who need loans? No obligation!

HOUSEHOLD FINANCE
CORPORATION *and Subsidiaries*

Headquarters: 919 N. Michigan Ave., Chicago
"Doctor of Family Finances"

One of America's leading family finance organizations, with 282 branches in 184 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-I
919 N. Michigan Ave., Chicago, Ill.

Please tell me more about your loan service for wage earners—without obligation.

Name.....

Address.....

City.....*State*.....

before a registration could be worked out.

Because the company had been closely held and had never made public reports, it would be necessary to complete extensive audits of operations in past years and prepare detailed engineering reports prior to registration with the S.E.C.

It looked as though the new owners, whoever they were, would have to hold the entire issue, subject to market vicissitudes, for at least 90 days before any re-offering could be arranged. Investment bankers are not ordinarily able to tie their funds up for such a period. But investment trusts are in a position to make such long-term commitments. So a group of about a dozen trusts, headed by the Tri-Continental Corporation and Selected Industries, Inc., together with a few investment banking houses that were willing to accept commitments, bought the entire issue for cash and became the owners of the company.

After the necessary studies and audits were completed, the company was recapitalized into preferred and common stock and the resulting new issues were registered with the S.E.C. and sold to the public through a banking syndicate headed by Union Securities Company, which is owned by two of the trusts. Most of the preferred stock and 70 per cent of the common shares were offered to the public. The trusts held the remaining 30 per cent of the common for their own investment.

Thus did the trusts perform a valuable service in facilitating the transfer of the company's ownership from private hands to the public market. The trusts received a satisfactory profit on the transaction.

To this they were fully entitled because of the risk entailed in the continued holding of a large commitment through a period of great financial uncertainty.

Phonographs Used by Brokers

IN THE securities business there has always been a notable lack of the sort of home-office sales planning that is known in most businesses as "merchandising." The sales efforts of brokerage and investment banking organizations are conducted on almost an individual, professional basis. Except for the fact that basic policies are set and a list of prospects supplied to selling representatives, the salesman in the securities business has usually operated pretty much on his own personal salesmanship.

Merrill Lynch, E. A. Pierce & Cassatt, one of New York's largest stock exchange firms, has recently undertaken some novel steps in an effort to apply to the sale of investment services the same sort of merchandising efforts used to promote the sale of commercial products. If successful, these innovations may mark the dawn of a new day in security salesmanship.

To provide a proper institutional background, the firm published in newspapers and periodicals throughout the country a frank statement of its policies, and followed this up with widespread and continuous advertising regarding its facilities, personnel and methods. Next the firm undertook the training of salesmen. A complete sales portfolio was worked out. This showed in graphic form the firm's organization, described the firm's policies and attitude toward its customers, and stressed the safeguards afforded by the Stock Exchange.

The salesmen, instead of being allowed to present this in their own way, were taught a regular sales talk that brought out to greatest advantage the features of the portfolio.

As an aid in the training of salesmen in its many offices throughout the country, a series of phonograph records were made, in which imaginary interviews with prospects were conducted in a way that presented the firm's sales story in the most effective manner.

The firm's sales organization is reported to be enthusiastic about these new methods of "instructed selling," and many other Wall Street houses are watching the experiment with great interest.

Dullest Market In 22 Years

DURING July and the early part of August, the chief activities in brokerage house board rooms were backgammon, bridge and crossword puzzles. The only thing that disturbed this social routine was an occasional buzz from the ticker when someone completed a stock transaction on the floor of the Exchange.

The volume of stock trading in July on the New York Stock Exchange totalled only 7,306,000 shares, which was the smallest volume for any month in the past 22 years. Relatively, however, the doldrums in which the Exchange found itself were far worse than at that earlier date, because the number of shares now listed is seven times as great as in 1918 when the earlier record for inactivity was set. On all but a few days in July, volume fell well below 500,000 shares a day in a market that has nearly 1,500,000,000 listed shares. On one day trading fell to 195,000 shares, the smallest volume for any full trading day since September 19, 1918.

Brokers, who are moodily con-

templating their red figures, are now seriously considering the proposal that longer trading hours might foster a greater volume of business. There are two schools of thought on the subject.

One says that people will do all their trading in whatever hours the market is open and that longer hours will gain the broker nothing.

The other opinion is that each hour creates its own trading and that, therefore, the longer the market is open, the greater the trading volume will be.

Advocates of longer trading hours feel that if the market were open until four p.m. instead of closing at three, business men who are immersed in the affairs of their own companies earlier in the day might have an opportunity to do more trading in the extra hour.

The dullness and low level of the market provide a sharp contrast with the recently improving business picture.

Earnings of 400 leading corporations in the first half of the year were up nearly 60 per cent as compared with the first half of last year, yet stock prices on the whole are still well below the June, 1939, level.

In spite of better business, investors seem to have adopted a waiting attitude until the war situation and such things as excess profits taxes and the effect of a possible American military draft can be appraised more clearly.

Banks Making More New Loans

A NATIONAL survey of bank lending, conducted by the American Bankers Association, shows that in 1939, 6,333 banks, comprising 44 per cent of all commercial banks in the country, made ten per cent more new loans than in the preceding year. The dollar amount of new loans granted in 1939 by these same banks was twenty per cent greater than in 1938.

The 6,333 banks included in the survey granted 24,998,000 loans last year. Of these, 12,680,000 were new loans, 12,033,000 were renewals, and 285,000 were new mortgage loans. The total loans granted in 1939 were $39,810,000,000, divided into $23,120,000,000 of new loans, $15,791,000,000 of renewals and $899,000,000 of mortgage loans.

The survey also indicated that more bank credit was available than was being used. In the larger cities of New York State, for instance, where credit is frequently granted in the form of "open lines," 120 banks reported that their customers in the last half of 1939 used less than 30 per cent of their $2,600,000,000 of open credit lines.

His job has just begun



When your Standard agent or broker delivers your insurance policy or bond — his job has only begun! From there on, he becomes a staunch guardian of your welfare, keeping you informed of changes in coverage, suggesting possible economies — and, of vital concern to you, giving ready counsel and help when mishaps occur.

Back of every Standard agent or broker is an experienced organization providing sound protection against the consequences of automobile accident; burglary; embezzlement; injury to the individual, employee, or the public; and similar hazards.

For any form of Casualty Insurance and Bonding, consult a representative of Standard of Detroit.

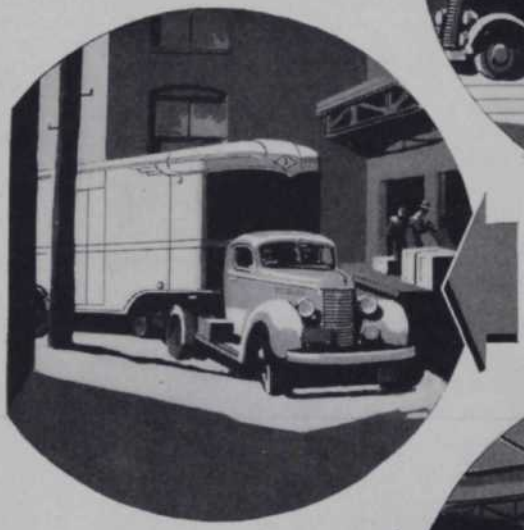
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Standard Service Satisfies . . . Since 1884

TRUCK-TRAILERS *are Easy to Handle IN "TIGHT SPOTS!"*

CITY TRAFFIC
need not deprive you of Truck-Trailer savings. The Fruehauf "Flyer" is designed especially for such conditions—and it cuts city delivery costs as much as 40%.





NARROW ALLEYS
are a "mental hazard" to many who should be profiting with Truck-Trailers. A Truck-Trailer is more easily maneuvered in tight spots.

CRAMPED QUARTERS
call for the "hinged-in-the-middle" feature of Truck-Trailers. The power unit turns at right angles to the truck, the Trailer wheels cut in—the unit gets into places which are inaccessible to a truck with equal load space.



YOU are probably familiar with the economies of Truck-Trailer operation—the lower investment; the savings in fuel, maintenance, and depreciation; the "shuttle" system which means no time out for loading. But did you know that a Truck-Trailer actually turns shorter, is more flexible and easier to handle than a truck of equal load capacity? Or, if you use small trucks, did you know that one Truck-Trailer will handle the same load as three of your present units—and get around just as easily? Write on your business letterhead for case-histories of companies like your own—actual examples of concerns similar to yours who are using Truck-Trailers to cut their haulage costs.

Oldest and Largest Manufacturers of Truck-Trailers • Sales and Service in Principal Cities
FRUEHAUF TRAILER COMPANY • DETROIT

FRUEHAUF TRAILERS
"Engineered Transportation"
REG. U.S. PAT. OFF.
MORE FRUEHAUF TRAILERS ON THE ROAD THAN ANY OTHER MAKE

Youth Itself Is the Problem

(Continued from page 26)

paigned for the office of city attorney which carried a small salary and some needed prestige. Clients are plentiful now, though there were times during the early struggle when he ushered at a movie theater to buy food.

Olin also is practicing law, and from all reports is making at least a decent living "on his own."

Besides myself, there was one other student in journalism. Forced by lack of funds to leave school before graduation, he obtained a job on a newspaper as a reporter-photographer. Currently he is earning his living as a free-lance photographer and writer.

I have done nothing of which to boast, and I record my own experiences simply because I can give details. I wanted to be a newspaperman. Because I always worked during the summer, as well as before and after school hours, I had a little money and a car when I finished high school. I wanted to go to college.

"Sell your car and use what money you have to begin," said my father. "And when that's gone, I'll give you all the help I can."

With his help and what I received for part-time work on a paper in the university town I was able to qualify for a diploma in June, 1936.

Looking over the prospects

BEFORE graduating I had studied the employment field and had decided there were two principal possibilities that were suitable from the standpoint of my training—employment in an advertising agency or on a newspaper or some other type of publication. Having no money to finance a job search, I took advantage of an automobile trip with my parents through the Southwest to arrange interviews with editors and agency executives along the route.

On that trip I talked with executives by the score—but I didn't get a job.

I worked out detailed plans for a hotel magazine to be distributed to guests and prospective guests, and for an oil company house organ. In this way I had hoped to create a vacancy, but neither of the companies felt it could afford at the time to publish the magazine I had planned. (Later, when things began to "pick up," both companies used my plans, but I was then employed.)

July was almost gone and I was still unemployed. I inserted an exceedingly unorthodox, but attention-attracting, "situation wanted" ad in a trade journal. One bite came. A weekly publisher in Florida—he published three weeklies, as a matter of fact—wrote for details, and I managed to sell myself through subsequent correspondence. He did not, however, commit himself on the salary I was to receive. It was to be "enough to live on."

Yet I was so elated with this that I

married a girl with whom I had studied journalism. We bought a car on credit and made the trip to Florida a honeymoon. When we arrived, I was employed at $18 a week, and the publisher, being a kind fellow, employed my wife at $12 a week.

This was August 1, 1936. For the next five months we worked from 60 to 80 hours a week—writing news, soliciting advertising, helping in the back shop, and even delivering papers.

Making a position

BEFORE leaving my home state, I had outlined an idea to a high state official. Most of the people of the state, I argued, knew nothing about state government activities because they read only the weekly papers which had no facilities for gathering state news. Why didn't he send a weekly column of brief state government news to the weekly press? After several months in Florida, I wrote to him and reminded him of this idea.

He gave me the job the first of the year—at a salary of $125 a month. When we reached the capital city, my wife went down town to look for a job. By noon she had been offered three—not good jobs but jobs—because of an evident desire to work, a pleasing personality, and adequate training. Three months later, after hounding the publisher to death, she moved over to one of the large capital city dailies.

On August 1, 1937, I went to the same paper. There was a vacancy and my capitol news column's success clinched the job for me. On January 1, 1939, I was assigned to write a daily and Sunday column of general comment for the editorial page. Two months later, I was made Sunday Editor in addition.

Today we live in a comfortable home which we have bought. We drive a good car. Our standard of living is above the average. And my wife has long since made a vacancy in the employment field for someone else, because our son was born in January, 1939.

What I have attempted to show by this is that one average group of college graduates, loosed upon the world in the depression, has "made good" in at least a moderate sort of way. Most of us had no "pull," which the current crop appears to think essential. For the most part, we had only the "will to work," the willingness to take what was offered until what we wanted became available.

Most of us now are married and have children. All of us are, as far as I know, happy and convinced that the heights are still within reach of all.

Certainly not one of us is a member of any demanding, dissident youth group, and none of us is on relief.

There is no denying that more jobs are available today than there were in the summers of 1935 and 1936, and, although there may be more unemployed young men and women (which I doubt), the whole situation is no worse than then.

If we, a representative group, could overcome the obstacles of 1935 and 1936, why can't at least a majority of today's youth do the same?

My contention is that they can—if they will.

"We have five money-saving reasons for *flying our men*"

Says FREDERICK B. HEITKAMP,
Vice President, American Type Founders Sales Corporation, Elizabeth, New Jersey.



"As a result of careful analysis of costs, air transportation has become an established institution in our organization. Practically all of the company's officers and branch managers travel by air.

"I encourage all my associates to go by plane whenever possible. As a result, our 23 branch managers and many of our salesmen, from Toronto to Dallas, from Boston to Seattle, report more often 'in person' to the Home Office—with little or no loss of time. All of which adds up to:

1 Lower travel cost.
2 Lower sales cost.
3 Productive time gained.
4 Quicker analysis and remedy of problems effected through 'in person' reports.
5 No 'time out' for recuperation from rigors of travel."

This endorsement given without compensation



LOWER COSTS ALL AROUND

Air Transportation saves thousands of dollars in expenses and salaries and means increased business efficiency to hundreds of business concerns each year.

Why not phone the nearest Airline office today, for a representative to call and explain how your company, too, may profit through the use of Air Transportation.

ASK YOUR TRAVEL AGENT: It's *easy* to buy an air ticket to any place in the United States or the world. Simply phone or call at any Travel Bureau, Hotel Transportation Desk, Telegraph office or local Airline office, for airline schedules and fares.

AIR TRANSPORT ASSOCIATION
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This educational campaign is sponsored jointly by the 17 major Airlines of the United States and Canada, and Manufacturers and Suppliers to the Air Transport Industry.

IT PAYS TO FLY

2,600 MILES OVERNIGHT—$4.80 . . Air Express is the World's fastest package service. All domestic and international Airliners of the U. S. carry Air Express. Low rates include special pick-up and immediate delivery. A five-pound package delivered 2,600 miles, overnight, costs $4.80. Call Air Express Division, Railway Express Agency, for rates or information.



The Detex line offers a type of watchclock exactly suited to the needs of every plant. No matter how large your business—nor how small—Detex has a tailor-made watchclock system designed to protect your business from fire and theft.



Sturdy—efficient—economical, the Patrol Watchclock, one of the complete Detex line, offers advantages found in no other portable clock. The clock carries a paper dial on which is recorded the time your watchman visits every station in your plant. The entire recording mechanism is contained in the station—the clock merely carries the dial.

The Detex Patrol is ideal for larger buildings employing a staff of watchmen or for the plant demanding the latest improvement in a portable watchclock system.

The Patrol may be exactly suited to your needs, or your supervisory problem may require a stationary clock or magneto watchclock system—no matter, in the complete Detex line you will find just the system you want at a price to fit your needs. Write for complete information.

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WATCHMEN'S CLOCKS
NEWMAN • ECO • ALERT • PATROL

I Worried My Way to the Top . . .

(Continued from page 30)

minute trick. He eloped with a co-ed just before the finals, and so could plunge happily into the depressing prospect of grocer's bills, doctor's bills, and butcher's bills.

The judges took one look at him as he stalked through the door and handed him the prize.

Worry over business

THE year 1928 was a bad time for men of my temperament to graduate. Everybody was making money, and expected to retire after five years in business. Gloomily, I watched my bank account grow, but one day in 1929 after a pleasant lunch of softshell crabs and chocolate ice cream, I felt a premonition of disaster. I knew prosperity couldn't last. The depression gave me and a lot of other people an opportunity to sink our teeth into big-time pessimism. Economics and government, I discovered, are practically unlimited fields for worry.

Whatever success I have had, I suppose, I owe to the depression. It gave me my big chance.

From the depths of my experience, I should like to offer a few tips on the art of effective worry. You may *think* you are doing all right, yet have barely scratched the surface of the world of gloom.

There are three grades of worriers: *Novice, Intermediate,* and *Champion.*

If you have already reached the first, or even the second class, perhaps I can put you into the top bracket. We are living in an age of specialization, and this is true of worry as it is of banking, selling, insurance, or anything else. You must concentrate to get ahead. I suggest, however, that the average man begin with some simple problem. Say, a matter of health.

Here are two warming-up exercises for the *Novice Worrier.*

After a hard day at the office, just stand in front of your bathroom mirror under a bright light. Concentrate on what you see. Resemble Hitler, don't you? No? Well, take a look at that hair. Probably be bald sooner than you expect, your wife won't love you any more, and your home will be completely broken up.

Or, if you are a career woman, take a look at those pores. Pretty large, aren't they? Certainly don't help your looks any. And what of that new secretary who's been giving your boss the eye? I'll bet *she* doesn't have a complexion like yours. What? He *told* you your work was O.K.? Humph. Loyalty, that's all. Just like a man to be afraid to tell you the truth.

In both instances, you go on from there. Perhaps you are already familiar with the routine?

Other worries in this same *Novice* category are wondering how to escape "doing the town" with big customers in for a bust, whether you left the hot water heater on at home when you take an auto trip, whether your wife will say the wrong thing when you bring the boss to supper, the possibility of having twins, and so on. Good practice, I suppose, but hardly material for top-rank worriers.

They feel it is a bit on the elementary side, and refer to it condescendingly as "squirrel-cage worrying." You just go round and round.



Grandfather, a brilliant worrier, achieved some amazing effects with the weather but he didn't specialize

More worry about less

THE *Intermediate Worrier* has left behind him such everyday troubles as how to pay the rent, pains in the back, or wondering when the guests will leave. The *Intermediate Worrier* qualifies as such only when he tackles *remote event-*

Are they old enough to drive?



When do those youthful wrinkles in the brain firm up enough to tell him or her when to step on the gas, when to push on the brake? How high to hit a sharp-banked turn, how much space it takes for two fast-moving objects?

There are no doctors or teachers or experts to tell parents those things. Your heart and your head must answer, "Are they old enough to drive?"

Susie is a better dancer than her mother. Junior can hit a golf ball straighter and farther than his dad. Young drivers, as a group, should be better drivers than their fathers and mothers, because they have grown up with automobiles.

The tendency of many boys is to drive too fast. The tendency of many girls is to drive too thoughtlessly. Some boys like to show off. Some girls are likely to be absent-minded.

But before either a boy or girl is old enough to drive he must have respect for the automobile itself. On this page is a definition of "The American Automobile" written especially for the young people who are about to drive.

THE AMERICAN AUTOMOBILE

It is the greatest money's worth in getting from one place to another in the history of the world. It is an honest servant—ready any hour, day or night, to go north, or south, or east, or west. It can start and stop; go fast and slow.

But it can do none of those things without human eyes seeing for it, human hands and feet working its pedals and levers, and a human brain directing these operations.

When I am at the wheel of our car I am those eyes, hands, feet and brain.

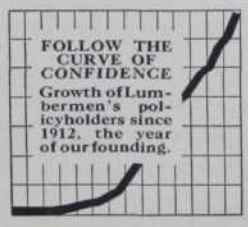
Will I see and heed signs of warning?

Will I know when I should go slowly, when it's safe to speed "Not Over 50"? Will I give the other fellow his half of the road?

Will I remember that a car under control, like fire, is a blessing; that a car out of control, like fire, is an enemy of man?

My parents think I'm old enough, and smart enough, and quick-thinking enough to drive a modern automobile.

I'll prove they're right!



Good Automobile Insurance Is Part of the Job

The curve of automobile accidents must start going down. Our only hope is that tomorrow's drivers will start that downward curve. But there will still be automobile accidents.

Good automobile insurance protects your pocketbook if accidents occur. Lumbermens is the greatest name in automobile casualty insurance. It is the company which sponsors the famous "Not Over 50" Club.

A Lumbermens policy on your car is pocketbook, lawyer and repairman—all in one. Lumbermens offers the most complete, careful coverage that has been devised to date. Lumbermens has agents throughout the United States and in every province of Canada. Call one in to tell you about "Modern Automobile Casualty Protection."

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SERVICE SECURITY SAVINGS FOR MOTORISTS

MUTUAL CASUALTY COMPANY

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Operating in New York State as (American) Lumbermens Mutual Casualty Co. of Illinois





Net Worth Tripled in Three Years

Open Account Financing Enables Company to Increase Sales 94.3%—No Additional Capital or Bank Loans

"Your service fills a need which banks ordinarily cannot supply because of statute restrictions"

That's true. Banks, being depositories of other people's money, usually require extra security in some form or other for every loan they make.

"It increased the morale of our management to know that a powerful and able friend was at hand in case of trouble"

That's true, too. Our resources of more than $275,000,000 permit us to go the limit in advances to any concern which, in our judgment, has the potentialities of going ahead. We do not have to base our credit limits on physical assets or balance sheets.

In the case of the Blank Co.,* whose letter is quoted in part above, we started our service in 1936. That year, the net worth of the company was $119,477.33, and the books showed $376,568.00 sales volume, resulting in a net loss of $25,292.11.

"It is no more than fair to say that our very existence today is because of your sympathetic and generous assistance...."

More, from the same letter. Figures speak even louder than words! At the close of 1939, this company's net worth was well over $350,000. Sales for the year were $731,877.00. Profit, approximately $50,000. And all this was accomplished without a single dollar of additional invested capital.

* * * *

Our Open Account Financing Service is a continuing plan, applicable to almost any industrial situation and capable of providing ample funds for operation. It is a simple method of self-liquidating advances against inventories and receivables. For complete details, write for our booklet "Capital at Work" and "Comparative Costs of Financing". No obligation. Address Dept. NB.

**A fictitious name, but the facts and figures, taken from our records, can be certified.*

COMMERCIAL CREDIT COMPANY

"Non-Notification" Open Account Financing

BALTIMORE

BOSTON NEW YORK CHICAGO SAN FRANCISCO LOS ANGELES PORTLAND, ORE.

CAPITAL AND SURPLUS MORE THAN $60,000,000

ualities with the full powers of his imagination.

He not only worries round and round, but backward and forward in the same place.

Success in this class depends largely on your ability to find hidden meanings in what people say, and your capacity to brood over matters which cannot possibly concern you in real life, such as whether Joe DiMaggio is slipping. What appear to be trivialities to some people are top subjects because they offer more *challenge.*

Build up the little things

THEY can be built up from nothing to gargantuan perplexities.

For example, take a man's relations with his boss.

The *Intermediate Worrier* will proceed as follows: You are seated at your desk, working away, when you are given a memorandum from your employer. It will, inevitably, be on one of two subjects: the waste of paper in the washrooms, or too many personal telephone calls.

But the point is that the memorandum is in *duplicate,* whereas everyone knows that you are a *triplicate* man. Hmmm. Certainly mighty strange! What does the boss mean by it, anyway? Is he tightening up? Bearing down? Is there any connection between this and his daughter's divorce? Does it mean you won't get that extra day off over next Labor Day to go fishing?

Always look for some hidden meaning, which probably is not there. If you *think* it is, the resulting worry is just as effective as if it was.

Just as there are only a few people who understand Einstein's theory, so are there but a handful who qualify as *Champion Worriers:* People who can worry not only round and round, and backward and forward in the same spot —but also do *both* at the same time.

If you can worry in this fashion, I congratulate you. You are tops. You have come up through the ranks of worriers who, however they try, will always be limited to such mundane matters as what became of last month's salary, the phrasing of office memorandums, deciding what to order for lunch, trying to understand the female mind, the income tax, and the stock market.

Worthy subjects all, but hardly challenges to *Champion Worriers* with *real* imagination. Trouble with them, they're earthbound. The *Champion Worrier* needs no tie whatever with everyday life. His worries are not just remote. Indeed no! He soars aloft into the dark clouds on the wobbly wings of *pure speculation.*

Remote problems are better

A MAN usually prefers some knotty question of foreign affairs. Suppose Latvia, Russia, and Bulgaria lined up against us? How would this affect our vital imports? Why, things would be at a standstill!

Or, what about this invasion from Mars? After all, can anybody who makes $1,000 a week like Orson Welles,

be such a chump? Where there's smoke, I say there's fire.

Or, going back to Mr. Einstein, suppose you did understand his old theory, what good would it do you?

Such is worry as it *can* be, for champions. Here are a few tips, however, of value to *all* worriers:

1. Always take your troubles home with you from the office. Get a larger briefcase, if necessary. Even if you don't open it, you'll be constantly thinking you *ought* to.

2. The best worrying can be done at night, when you are lying in bed, dead tired, and have eaten something which didn't agree with you. This is the time to tackle some business problem which has baffled you even in your freshest moments.

3. Don't take any exercise, recreation, or indulge in a hobby. If you relax a little, people may think you *can't* keep up the pace. Keep going. Work every night. Avoid sleep. Wear tight shoes. Attend only those luncheons where you have to sell a bill of goods, not just enjoy your food and relax.

4. Marriage is always a help, because you can worry about two people instead of one.

5. Don't take setbacks philosophically. Don't enjoy life now. Work for the time (which seldom comes, incidentally) when you can retire and *try* to get your present health back.

6. Don't worry alone. Some of the sweetest fruits of worry are to be garnered by the chance devastating remark you can drop in a happy crowd. At cocktails, for instance, at the close of the business day, inquire quietly if the men know that the same amount of alcohol on a rabbit's tongue would kill him—assuming the rabbit liked to drink and could uncork a bottle.

Bigger and better worrying

NATURALLY, not all of us will attain perfection, but most of us can do more and better worrying than we are now.

If you look back and wonder sometimes just what good all your worry has done to change some situation, make a quick switch of thought to some other subject.

Keep looking on the dark side; you are sure to find something.

I must admit that sometimes I wonder what good my worrying has done me, but I pull myself together somehow and keep going.

In moments of discouragement, I face the plain fact that nine out of ten of the things I and my forebears worried about didn't turn out the way we feared. My ancestor on the *Mayflower* to the contrary, America did turn out pretty fair. My grandfather's drunken farm hand always got home some way or slept comfortably in the gutter where he fell. Alaska has paid Uncle Sam for itself many times over. When I lost a job I always found a better one. The depression didn't lick us; we're still going strong.

You can't blame me for wondering now and then if my life work hasn't been all for naught.

Somehow the horrible eventualities I feared so much just fizzled out in the light of day.

In fact, they never happened!



. . . Tongues are OUT!

For *talking*, tasting, or sticking out, tongues are all right. But for stamp sticking—not so good. Their surface capacity for liquid is low, which accounts for the terrible taste left in your mouth. Other stamp wetters aren't much better. Tongues and sponges were never intended for mailing letters—but a Postage Meter is!

For instance, the Postage Meter *sticks* the flap, sealing it firmly; and at the same time *prints* a stamp, a dated postmark and an advertising slogan, all at the turn of a die, faster than licking and sticking. And supplies stamps for any kind of mail, never leaves you fresh out of twos, threes or specials when it's time to go home.

It keeps your business postage strictly business; as *printed* postage is good only on your business mail. You get *all* the postage you pay for. The Meter does its own accounting, never forgets who borrowed how much. Borrowing is out, pilfering impossible. And Metered Mail, cancelled when printed and Meter postmarked, spends less time in the postoffice, can get away faster.

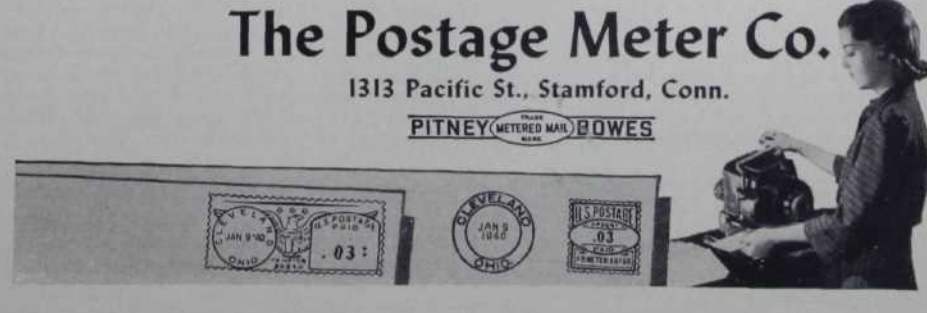
So tongues are out for mailing purposes, since the Pitney-Bowes Postage Meter came in! A word to our nearest office will bring a demonstration in yours, on your own mail . . .

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Company

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Attention of *Our Product is*

A Young Industry Gains Strength

(Continued from page 34)

ance of home gardeners who do their own freezing in locker boxes.

In the large cities, the larger department stores are pushing frozen foods energetically. Door-to-door delivery service is here; in some cities fleets of refrigerated trucks deal mainly in frozen items. The East is trying out the frozen wholemeal idea.

Here is a sample dinner handled by a company in a Philadelphia suburb; one pound of filet of sole, one package of asparagus, and one package of peas and corn, with string beans or spinach as alternates. If the housewife doesn't want the ready-made dinner, she has a choice of a complete line of frozen sea foods, meats, poultry, fruits, vegetables, and fruit juices.

Rapid growth in sales

RETAIL sales have increased tremendously in the past two or three years. One of the largest freezers in the East recently reported 1,250 new retail outlets added in 1938, bringing its total to more than 4,000.

In metropolitan New York alone, approximately 650 retailers handle frozen fruits and vegetables. Ten years ago one company in the East had four freezing plants and sent its products out through 12 dealers; now it has 29 plants and sells through nearly 5,000 dealers.

A recent issue of *Quick Frozen Foods*, a new magazine devoted to this rapidly growing industry, said:

There are 30 per cent more wholesale distributors and 40 per cent more retail distributors than a year ago. Eighty per cent of America's leading hotels and restaurants now serve frozen foods.

What lies behind this rush to frozen foods?

Horace Campbell, assistant chemist at the Frozen Pack Laboratory of Seattle, where the U. S. Department of Agriculture conducts trail-blazing research in this new method of food handling, explains it like this:

Preserves flavor and color

WE ARE forced to acknowledge that, when properly carried out, no other method of food preservation can produce finished products retaining so much of the original natural flavor, color, and odor of the freshly harvested material. Furthermore, it frequently happens that frozen fruits and vegetables are even superior in quality to the so-called fresh produce in city markets. This is not difficult to explain when we consider that frozen foods are usually harvested and frozen within a few hours, while from several hours to a few weeks may transpire between the time so-called fresh produce is harvested and the time it reaches the consumer.

Frozen items appeal to the housewife because the quality is uniform; they have excellent eye appeal, and their eating qualities—assuming they have been properly handled in the freezing, in storage, and in the kitchen—rival those of the best fruits and vegetables fresh from the garden. She buys only the edible parts; there is no waste.

Just imagine all the pea pods, asparagus butts, and the fruit and vegetable trimmings that are shipped thousands of miles just to go into the garbage can. The freezing plant removes all the waste and the producer, who usually has some livestock at home, gets it back as feed or as soil-building compost for his land.

In this day of scientific achievement, someone may soon turn those fibrous wastes into building boards, plastics, or chemicals.

Science long has looked upon agricultural wastes as potential material for great by-product industries. The stumbling block has been they are so widely scattered and seldom available in the concentrated tonnages needed for such industries. Freezing plants may provide some wastes in sufficient quantities to intrigue the waste-utilizers.

Tests by experiment stations indicate that the vitamin content of the standard brands of frozen fruits and vegetables is fully equivalent to that of the better grade of fresh fruits and vegetables sold in the markets. This is because of the speed in freezing. A package of frozen peas bought by a New York housewife actually may be only an hour or two old from a Pacific Northwest pea field several thousand miles away. Frozen foods have gotten a clean bill of health in other ways. No cases of sickness or death have been traced to them.

Special boxes for stores

BEHIND the spectacular spurt in retail sales lies solution of the refrigerator box problem in stores. When the industry was young and enthusiasm among freezers was high, production swept far ahead of distribution. To handle frozen foods, a dealer must have a refrigerator box which will keep the packages at zero or below until the consumer takes them. In the beginning, such boxes cost $1,200 to $1,800.

Retailers naturally shied at spending so much for equipment until they were sure of their ground. The freezing industry soon saw that the biggest need was to get these refrigerator boxes into service by the thousands. Further illustrating how American ingenuity and technical ability can handle a problem when it becomes urgent, retailers are now getting the refrigerator boxes for $300 to $400.

Without our vast background of achievement in refrigeration, this frozen foods industry would have been impossible. Because of it, we see refrigerator cars and trucks carrying these below-zero groceries anywhere from across town to across the continent. One eastern company has 34 trucks making house-to-house deliveries.

This sort of energetic promotion is winning new consumers. When an ice

cream company in Detroit took on frozen fruits and vegetables only two out of 100 customers on one route were using the frozen foods. The driver took samples and soon had 50 customers.

Special cold storage vaults have been added to the Pacific Coast ships serving Alaska to carry frozen packages to the North.

Especially interesting and typical of our ability to do new things is the practice of a Northwest pea freezer. For two days the refrigerator car is iced and the temperature brought down to about ten above zero. Then the car is rolled alongside the freezing plant and a folding tunnel connects it with the freezing chambers. From the freezing room, 30-below zero air is blown into the car. While this frigid air is circulating, the frozen peas are loaded and the car is quickly sealed and started on its way. When it reaches its destination—Chicago, Boston, New York, Philadelphia—the cargo will still be five or ten degrees below zero.

Pioneering is over

MOST observers feel that 1938 and 1939 marked the end of pioneering in this new industry and that now a period of steady development is here. At least a dozen new plants appeared in the Northwest in 1938. One of the country's biggest freezers is building a plant in Oregon. New market possibilities are being explored, among them the nation's thousands of trailer homes, summer resorts, and vacation camps. The industry now is focusing attention on increasing production, distributing efficiency and volume so that retail prices can be brought down even more.

No region has a monopoly on the freezing industry. The Northwest pioneered but the East followed quickly and, taking full advantage of the large city markets, expanded much more rapidly. Now the West freezes most of the fruits with the East providing more than half the vegetables. Practically every state in between is expanding in the business.

Naturally a development of this magnitude has increased acreages devoted to vegetables and berries for freezing. Most of this increase, however, represents a shift from other crops. In some sections, notably in the West, farmed acreage has actually increased. In the Puget Sound area, for instance, considerable land which has been idle or in pasture now is producing vegetables for freezing. The acreage shift has, in many cases, created more farm labor.

Crops which required less man power have been replaced by those requiring more.

The concern of producers in the southern states, who, until now, have had exclusive privileges in the huge winter fresh fruit and vegetable markets of the North, is entirely justified. How big this southern fresh fruit and vegetable business has grown is apparent from statistics from the U. S. Department of Agriculture. Twenty years ago only 232,000 acres in the nine southern winter-garden states were producing fresh stuff for shipment. Now there are 1,100,000 acres. Today for the first time in history, farm-



THE AUTOCRAT OF THE BREAKFAST TABLE



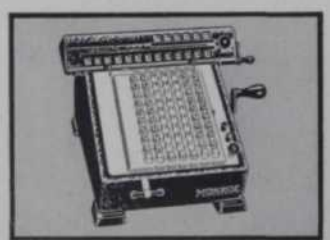
LAWRENCE was always a pushover for a nice pair of cogs and fell like a ton of brick for this mechanical marmalade spreader. "But I don't *like* streamlined toast," cries his wife and now they'll either have to chuck the toast factory or open a lunch room: a plain case of the wrong machine for the situation. Here it was harmless extravagance—but if it happened with figuring machines in any business, it would be *serious.*

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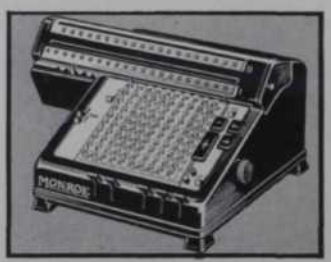
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ers in the northern states are beginning to compete directly with the fresh produce which comes north every winter. Possibly our growing appetite for fresh things in the winter will take care of both.

Forecasting permanence and further expansion is the energy with which freezers and prospective freezers are prospecting all major agricultural areas to find the sections where the highest quality fruits and vegetables for freezing can be grown. The canning industry once did this same kind of investigating to locate superior production areas. Because varieties for canning and the fresh market always are not the best for freezing, all this background testing must be done over. Freezers naturally are looking for the places where the best quality produce can be grown. Freezing adds nothing to the quality of fruits and vegetables, but it does preserve a high degree of what quality, flavor, juiciness, and color there are in the product. Freezing, therefore, offers excellent opportunities for areas where farmers take pride in producing top quality crops.

Problems for technicians

RESEARCH science again has demonstrated its right to a place at the head of the parade. Freezers are loud in their praise of the work done by Dr. H. C. Diehl and his associates at the Frozen Pack Laboratory of the U. S. Department of Agriculture at Seattle. The industry developed so fast that questions piled in on the technical experts in avalanches. The Seattle laboratory packed thousands of containers of different fruits and vegetables each year to find out how they should be harvested and handled, how they should be packed, and at what temperatures they should be frozen, stored, and distributed.

Cooperating with the state experiment stations of Washington and Oregon and the United States Bureau of Plant Industry, the laboratory helped collect information as to what varieties and types are best suited for freezing so that the growers and freezers have been guided in what to plant, when to plant, and how to grow and harvest the crop. One year the testing involved 150 different varieties of peas. Much is yet to be learned.

As this is written, word comes that the Seattle Laboratory has found a way to prevent discoloration in the freezing of apples. Like many fruits, the apple turns dark a few moments after the cut surface is exposed to the air. This habit has held up apple freezing.

The scientists found that, if the apple slices get a quick bath in steam before being frozen, they remain tender and do not discolor. When this method reaches commercial production, bakers and housewives will have the makings of fresh apple pie all the time. More apple pies may be a factor in checking the widespread pulling of apple orchards because of poor markets.

Freezing has thrown the fruit and vegetable breeding and testing field wide open. Varieties popular in the past often are not the best for freezing. The tender and juicy varieties of fruits that cannot be shipped are ideal for freezing. The

experimental program involved testing all varieties, new and old, for adaptability to freezing.

Last year the Utah experiment station froze 400 different lots of more than 200 different tree and berry fruits. All the seed companies and the experiment stations have told their plant breeders to develop new varieties expressly for freezing.

No longer can we sidestep the question which probably has been uppermost in the mind of the reader all along: How will freezing affect the canning industry? Obviously this is much easier to ask than to answer. Ten years from now the question probably will have answered itself.

Although freezing has had amazing growth, the canning business has felt no decline due to this new competition. The expansion in crop acreage for freezing has not been at the expense of the canning crops. Reports from most sections say that acreage of canning crops has been increasing, too.

Canners begin freezing

WHEN freezing first appeared, canners generally were alarmed. This was a natural reaction even if it was erroneous, because the canner really was the logical individual to pioneer this new kind of food processing. As the men at the Seattle laboratory point out, the fundamentals of canning and freezing are essentially the same, except that, in one case, processing is accomplished by high temperatures and in the other at below-freezing temperatures. Soon many canners began freezing. The food handling experiences of the canner have proved invaluable in the development of the freezing industry. Most of the canners who are not freezing are gathering the necessary technological background with the view of entering the new field at any time.

Right now the major competition appears to be with out-of-season produce. Of course, one must admit that, if the great mass of our people acquire the desire for and can obtain frozen foods, they may eat less canned foods. The ultimate answer will come from the large-scale retail outlets which are just beginning to open in a way which means volume. The small-package household market offers greatest possibilities and obviously holds the answer. If consumption of frozen items continues to increase at the rate of the past few years, repercussions are bound to be felt somewhere in the food industry. Right now freezers are cutting in on canning in the hotel and restaurant trade. Large containers of frozen peas are beginning to replace canned peas. The volume is not large but it may be a barometer.

Whatever may be the ultimate relationship of canning and freezing, this new method of food preservation is here to stay. As Dr. Diehl recently remarked in a radio talk on freezing, every recent generation has contributed some spectacular new development in the food field. In grandfather's day it was canning. Our generation has made a mighty good start toward claiming a niche for freezing.

How to lead shoppers' footsteps your way



A step in the right direction is this sales-inviting floor of Armstrong's Linoleum in the dental supply showroom of the Luther B. Benton Co., Baltimore, Md. Its gay color and smart design attract customers and provide a perfect background for the merchandise displayed.



Footprints sell shoe soles—and in this case insets of linoleum shaped like footprints have been placed in this novel Armstrong Floor to attract trade to Leebaw's Shoe Repair Shop, Warren, Ohio. Unusual effects like this are simple to achieve with Armstrong's Linoleum.



Foot comfort sells appliances—or any other product, for that matter. That's why the Sears, Roebuck and Company store at Chehalis, Wash., selected comfortable, quiet Armstrong's Linoleum to floor its attractive electrical appliance department shown at the right.

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Can State Rights be Saved?

(Continued from page 38)

put together, would result in a state smaller than most of them, and if Texas were sliced up into three states it would do no violence except to the feelings of the highly patriotic Texans.

In other words, there is no virtue in an artificial boundary. The battle to preserve states' rights must be fought on more solid grounds. This takes us back to the original purpose for limiting the central power while leaving the states free to control their internal affairs. It was the earnest, cherished belief of those who framed the Constitution that the closer the Government could be kept to the people, the better; and the less government, the better. Since the states already constituted governmental units, they should remain such.

The people of those states would be close enough to their administrative officers, their legislatures and their courts to keep close vigilance upon them, to see that they serve the welfare of all the people, taking into account the special needs of the particular state; close enough to spot any incipient outcroppings of tyranny and nip them in the bud.

Government by the people

CERTAINLY they expected the people of the states to keep a tight rein on the purse strings. Local government could never override the popular will, because the people could control the taxing power and no money could be levied and spent against the people's will.

Are we ready to abandon that fundamental concept? Have conditions changed to such extent that the people themselves can be better governed through the central power, working through "regions" or taking into account no boundaries at all?

If the answer is "Yes," then we need but to follow the method stipulated by the Constitution-makers, and change the Constitution itself. If the answer is "No," then the defenders of states' rights need to step quickly forward and justify their position.

We're already on our way toward wiping out state sovereignty—and without benefit of constitutional sanction.

The whole question most vitally affects industry, business, production and distribution of goods and the development of resources. Free enterprise versus strict control, the right of taxation and use of public funds, the matter of whether government shall continue its stride toward a vast bureaucracy or remain close to local control, are involved.

The steps taken to weaken states' rights and strengthen the federal power have sprung mainly from two factors:

First, the desire to use general funds for special purposes—to aid certain groups or areas, to bring about "social betterment"—and to distribute the wealth by taking from those who have and giving to those not so fortunate.

Second, and closely akin to this desire, is the greed for control on the part of the federal power.

The Sixteenth Amendment to the Constitution gave the federal Government power to levy taxes on incomes without regard to apportionment among the states. Then came the first of the federal grants-in-aid, now the chief device both for distributing the wealth and controlling the activities of state and local governments. In 1911, the Weeks Act permitted granting funds to states for forest fire prevention. In 1917, federal government funds began flowing to the states for construction of public roads. The first grant was for $5,000,000. Now it totals $125,000,000 annually.

There followed, in rapid sequence, grants for vocational education, for agricultural extension, vocational rehabilitation, and maternal welfare. In 1926 the grants for maternal welfare were allowed to lapse, and it looked as though a check to federal growth, perhaps a decentralization, had set in. Then the boom years, the crash, the hasty efforts of the federal Government to prop up business and agriculture by loans.

Then the political revolution! The distribution of federal funds through grants to the states and to local units, plus ever-increasing control over the activities thus financed, is the very heart and soul of that revolution.

First big gun was the Federal Emergency Relief Act of May 12, 1933. No one paid much attention to the provision of this act which now stands crystal-clear as the spearhead for taking away the rights formerly enjoyed by the states: *The administrator could himself decide the amounts to be granted, and where, and why, with no standards applying equally to the states.*

Then followed Public Works, to the cost of which the federal Government "contributed" (that was the word!) 30 per cent and lent the rest to the states and localities.

Then the whole long list of federal activities, depending for their existence upon the taking of funds by federal taxation and distributing where administrators decide there are economic and social needs: The Social Security Act, all the aids to farmers, municipal and public housing, development of "cheaper" electricity, recreational facilities in certain regions, improvement of health, reclamation of farm land, and many more. The definite theory is that a better social order will result from these activities and from the necessary distribution of wealth that makes them possible.

But states' rights have practically vanished in all these fields. For, as Senator Peter G. Gerry of Rhode Island has said:

A federal grant is a gift or a bribe to a state or locality to force it to do what it otherwise would not or could not do.

Those grants totaled $42,500,000 in 1920. By 1932, they had risen to $269,425,000. In 1936 they were $2,201,000,000, and for 1940 they will top $3,000,000,000.

Control follows the purse strings as surely as night the day. The federal Government says:

If we're going to provide the money, or even part of it, you must do as we say.

More and more the grants have become dependent upon "conformance" by the states. They must meet certain standards, select certain personnel, carry on the administration in specific ways and meet numerous other demands.

More and more control

NOW add all the activities that are strictly in the interests of control: The N.R.A. went out the window, but controls equally stringent upon business, production, distribution and financing have been welded. The Wages and Hours Act, the new Food and Drugs Act, the Securities and Exchange Act, the National Labor Relations Act are shining examples. Admit that they are all intended to correct certain evils, yet the fact remains that they have taken over the regulatory powers formerly held by states and localities; and the questions remain as to the ultimate benefits of this encroachment.

There is no let-up in the swift rush toward federal control. On January 29, representatives of the Justice Department went into the courts of Denver to set up the federal Government's right to control the rivers of Colorado.

The reason given was that the state of Colorado had "fallen down" in the administration of its waters, since it could not properly protect the "vested interest" which the federal Government had established.

What was that vested interest? A reclamation project. Only the federal Government could protect that interest properly, so the federal power must take over.

Here we have the steps clearly defined: The central Government establishes a project in the rivers, the soil, the natural resources of an area. That sets up an interest which must be protected and exploited. States' rights are brushed aside.

Under the theory that the federal Government can protect its "vested interest" in a project established for the good of the people, the federal Government, responsible for national defense, can take over all highways, because highways are vital to defense; can control all labor, because labor is essential to interstate commerce; can control all production and prices for farm products, because food is necessary for the public welfare.

In the recent session of Congress, several bills were introduced which would have almost wiped out the remnants of local authority. Senate bill 1305 would have put the federal Government on the road to complete financing and control

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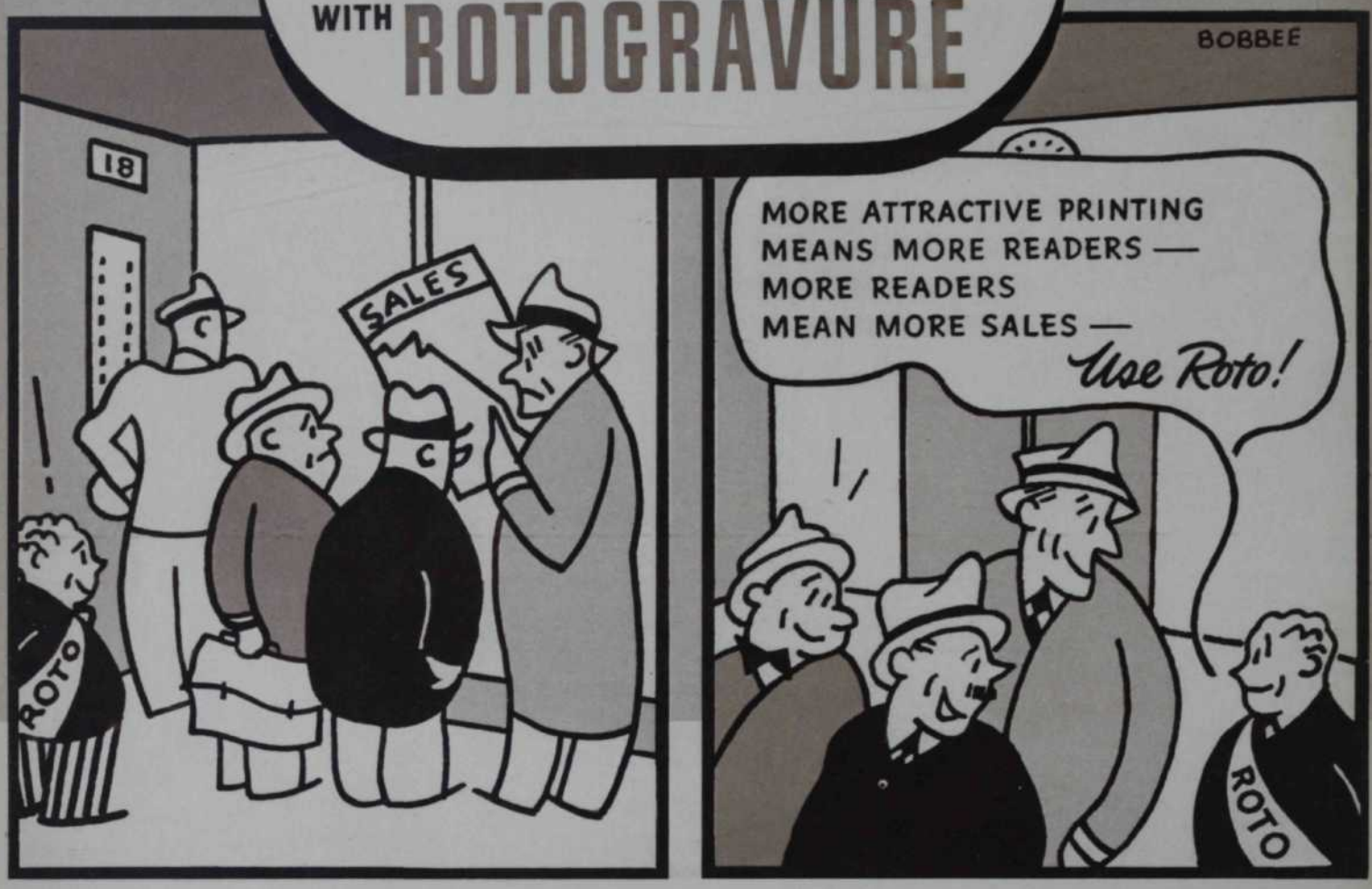
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of education. The Wagner Public Health bill would have begun the program for nationalizing health. Bills to extend flood control and "little T.V.A." projects bore out a recent statement of Thomas G. Corcoran, special counsel of the R.F.C., recognized as a foremost influence in administration policies, that the Government would own and operate all utilities within 20 years.

If the record of this increased federal control were one of undeniable benefit, the exponents of states' rights might give up the fight, satisfied that the old ideas of "keep the Government close to popular control" and "the less government the better" are indeed outmoded. But such is not the case. Examples begin to pile up of the inevitable fruits of the enormous bureaucracy needed for federal control.

Less local revenue

ONE result felt immediately when the federal Government takes over public or private lands is curtailed taxes for states and local units. In the T.V.A. area, as in all areas affected by public power and flood control projects, complaints are arising that the taxes paid by property owners are now lost to the local treasuries, and incomes needed for schools and other local uses must be made up in some other way—unless the federal Government can be induced to pay back the difference.

Federal administrators object to any such reimbursement. They complain it would upset their plans for cheap electricity and thus injure their "yardsticks."

The states are losing income from public lands granted them years ago from the public domain as the federal Government assumes jurisdiction again over these lands and their resources. Wyoming, for instance, receives royalties from the production of oil and gas upon such lands. When these domains are taken for federal use and control, that income to Wyoming —or to any state with such lands—will cease.

Another inevitable result is conflict of jurisdiction. As the federal Government seeks increasingly to assume police power over business, working conditions, wages, prices, production, and distribution, the clash with state regulations is unavoidable. But the federal bureaucracy takes that in its stride. Where conflicts occur, the federal power must be sovereign. It could not be otherwise with the dual system of defined sovereignty passing into the discard.

Under numerous federal regulations now in effect, state and local administrators must disregard their own state laws to conform to the federal power. Under legislation now being considered by Congress, most state regulations would become entirely subordinate.

Another effect of federal domination and encroachment is the use of coercive tactics to attain the ends desired by federal control. Numerous examples could be cited, but one will illustrate:

The National Labor Relations Board, entrusted with the enforcement of collective bargaining, has time and again refused collective bargaining to labor groups clearly because of a desire to favor some other group in organizing.

Uncontrolled bureaucracy

ESPIONAGE, creation of class consciousness and strife, blacklists, political pressure—these are the fruits that have already sprung from the soil of a top-heavy bureaucracy.

The problem is here. Proponents of state independence are casting about for the most practical, workable steps to preserve local control.

The following are being given primary consideration:

First, efforts are being made to reestablish a division of powers. The need seems to be to reach some decision as to where the line should be drawn, beyond which the federal Government must not be allowed to go in usurping state and local powers.

Such a decision could be arrived at by governors, state administrators and legislators, with federal administrators and leaders in Congress sympathetic to solving the problem working with the close advice and cooperation of representatives of business, farming and other major groups.

It should be admitted that changed conditions demand a wider use of the federal taxing and regulatory powers. But this fundamental principle still should prevail:

Where local administration can do the job, let the federal power step out. Federal assistance should be divorced from federal control.

For example, if relief calls for federal funds, those funds may be supplied, but local administrators, close to the needs and close to the taxpayers, should handle relief.

Second, utilization of interstate cooperation is growing. Interstate compacts, agreements among states on problems that affect each alike, are being made. Under the sponsorship of the Council of State Governments, compacts on control of crime, flood control, prevention of river pollution and many other subjects have been signed.

A seven-state conference was held early in 1940 at Buffalo for interstate cooperation on motor carriers. Last March the Southern Conference on Interstate Barriers was attended by 12 states. Reciprocity agreements to abolish and prevent "use taxes" and other tariffs have been signed by 20 states.

Uniform laws among the states are being written, bringing cooperation that makes unnecessary federal domination.

Third, there is a demand for a return to a government of laws, with a strict curb upon arbitrary regulations. It is obvious that federal encroachment will never be checked unless administrators with quasi-judicial powers are prevented from making their rules as they go along, shifting as political or personal whims might dictate.

Laws should be definite

THIS brings into greater importance the selection of the people's representatives in Congress. Never again should these representatives be allowed to sign away the rights entrusted to them to make the laws.

It is most important now that laws be written with no hidden chances for elastic interpretation.

Fourth, the people themselves are awakening to their civic responsibility for control of their government. The many movements for organization of taxpayers to halt the rising tide of local, state and federal expenditures and to make articulate the will of the great majority, are proof of this.

In Scarsdale, Westchester County, N. Y., last February was organized the "Village Movement," a local, spontaneous, non-partisan expression of popular will. Outstanding among the principles that it has announced are:

1. To uphold the division of power which the Constitution ordains between legislative, executive and judicial branches.
2. To protect and preserve state rights and home rule for local communities.
3. To restore to the federal Government simplicity of form and economy of operation.
4. To foster private competitive enterprise and resist government encroachment upon legitimate business.

Thus the way is open for state and local officials and for citizens to prove the continued worth of popular sovereignty.



"A Federal gentleman, sir. He insists on leaving you a Social Security check."

My Wife Works . . .

(Continued from page 24)

"Tsk! tsk!"—and that, rather than being thieves of jobs, they may actually tip the scales toward increased employment.

My wife's first argument, and the one she comes back to oftenest, is based on personal dignity. In certain countries, every effort has been made to reduce personal dignity to the least possible consequence. But in America, it still matters. My wife claims that she is an individual, in spite of the fact that she is a woman. She says she has a life and abilities of her own. She believes there is no law of God or biology which, simply because she has acquiesced in the duality of all life, and married, requires her to sacrifice her personality, bury her abilities, live shadowy in a man's reflected light.

She holds that, insofar as she has abilities, God, and biology too, expects her to use them. The self-esteem of any human being, she believes, depends on the extent to which he makes good use of his abilities. And by "he" and "his" she equally means "she" and "hers."

These are fundamental tenets in her creed. The rest follows them as night follows day.

Take her feelings, for instance, about that mossy platitude that woman's place is in the home. She considers this the lazy woman's last refuge, the inefficient man's last hope.

"The outstanding and highest calling of woman is always that of wife and mother, and it would be an unthinkable misfortune if we allowed ourselves to be turned from this point of view."

Brave words! Many of us might agree with them in the abstract. But who, asks my wife, mouthed them?—who but tongue-in-cheek Dr. Joseph Paul Goebbels, the Nazi Minister of Propaganda? And where, she asks, has womanhood sunk lower than in Nazi Germany?

Once upon a time, she thinks, woman's place was in the home. Definitely. Man's place too, very largely. That was in the days of cottage production, before the industrial revolution. Being *in* the home, then, simply meant that that was where a woman could make her best contribution *to* the home. In those long-gone days, women made clothing and bread, helped lay up food for winter, made soap, carried water, milked cows, churned butter, dipped candles, hoed the garden, fed the chickens, did a thousand necessary housecraft and farmstead tasks that are now done by visiting the ten-cent store or the corner grocery. Homemaking *in* the home was then a full-time job.

How is it now? Home industries, as such, are far fewer; and where they exist, it is often by virtue of deliberate choice rather than because the work must be done in the home or not be done at all. Everyone knows that baker's bread and creamery butter are the rule rather than the exception today even on many farm tables. Many wives do still bake bread. Many wives still store their pantry shelves and fruit cupboards with home-canned fruits, vegetables, meats, jellies, pickles, preserves. Many wives still do a considerable part of their own dressmaking and sewing. Many home industries do survive.

But these are not always warranted by sheer dollars-and-cents economy, whatever other considerations may justify them. Apple jelly at 23 cents for a two-pound jar at the grocery store, for example, may be cheaper, ounce for ounce, than home-made apple jelly, when the cost of apples, sugar, gas, and every other item is taken into account. It is a fact that the function of the average housewife as a family provider today lies far more in her skill at *buying* than at *making*. And since to buy takes far less time and effort than to make, it follows that the contribution that the average wife is required to make *to* the home *in* the home, is less now than formerly. Much less.



There was a time when home-making in the home was a full-time job. It isn't now

The difference is heightened by the fact that housework has been materially simplified by the modern kitchen and improved labor-saving equipment.

But—and now we approach a significant point!—modern household equipment does not do the job alone. Even those who can afford all the latest time-and-labor-saving household devices, still cannot get housework done by pressing a button or waving a hand. Every honest practicing housekeeper knows that there is still a lot of hands-and-knees drudgery to the job.

There is periodical talk about the "profession" of housekeeping. The president of the American Home Economics Association recently prophesied that census takers of 1950 would classify housewives as professional people. That's mostly wishful thinking. It's an old trick, as working "vice president" can testify, to give a humble job a fancy name in the hope of dignifying it. The fact is that so many of the former creative productive functions have been taken out of the home by the growth of the factory system, and so much that remains is drudgery and nothing else, that, although housekeeping is not yet a disappearing industry, still, taken by itself, it is becoming less and less a career in which women of intelligence can see any proud future.

Ambitious American women in increasing numbers have demonstrated their intelligence by acting on the realization that they could make more of a contribution *to* the home by working *outside* of it. Nobody knows yet what the 1940 Census will have to say about the number of married women now in employment; but it is significant that, between 1900 and 1930, the number of married women at work quadrupled, whereas the number of all women at work merely doubled.

My wife is one of those who chose employment. Graduated from a secretarial school after high school, she obtained a position as stenographer with the firm which now employs her, working for seven years before our marriage. She did not shun responsibility, and advanced to a position as private secretary to the head of the firm, with unofficial oversight over most of the clerical work of the office. She continued for a while after we were married, but quit when our son, John, was born.

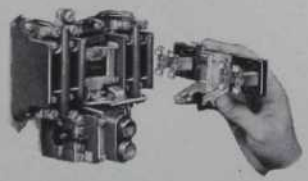
For four years after that, she stayed at home, ran the house, took care of the baby. I know how she came to feel about it. Desperately discontented. Much of the work appealed to her as the most dismal drudgery, requiring scant men-

Daddy! Why is the top of the world so Dirty?



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tal and slight manual skill. She knew that she had better abilities that were rusting. Though she tried to find adequate substitutes for business contacts that she missed, in local women's clubs —afternoon bridge and garden—they failed to interest her. Aside from the work of bringing up a small son, she felt lost and wasted, futile, frustrated.

One day her former employer, with whom we continued friendly, was telling his troubles.

"Frances," he said, "I wish I had you down there to run things for me."

"Do you mean that?" she asked.

"I sure do."

Trying office work again

WE TALKED it over, she and I. John was ready for kindergarten. From now on, we knew, he would be away at school more and more during the day. My wife's widowed and childless sister would be only too glad to keep house for us. It was a revelation to me to see how eagerly my wife contemplated the idea of going back to work, as if she were to live in the sun again after being shut in a cell. She took the old job and has held it ever since, advancing in both pay and position, and has been a far happier woman for it.

The inevitable question that I know will be asked is, "But how about your son?"

We were concerned about him. Deeply. We ourselves wondered how a boy would get along with his mother and father away at work all day. We never expected my wife's sister to take the place of a mother. And we agreed that, if the job and John's welfare conflicted, the job would go.

But the conviction has grown on both Frances and me that *she does a better job as a mother because she is away at the office.*

Our ideas on this may be peculiar. Frankly, we think that some of the modern child-training theories advanced for the consumption of mothers are cockeyed; and when cockeyed ideas are swallowed and only half-digested by starry-eyed women who think that some trick of training will make darling Jimmy a genius, then it becomes a holy mess. We know wives and mothers who, with too little useful work in the home to keep them really busy, give altogether too much attention to their children. Yes! that can be done. They "baby" and pet them, bring them up under hothouse protection, enter altogether too much into their lives.

Many a modern child has precious little privacy if mother can prevent it. The suburb in which we live happens to be a center for "progressive education," as it is called.

The superintendent of schools in a neighboring village, whose views are relatively old-fashioned, unfortunately (for him) spoke his mind not long ago at a teacher's meeting:

I'm coming to believe that one of the main problems is the overprivileged child. You would be surprised to learn how many of our children can't walk two blocks to school. Those who come from homes where maids pick up their clothes,

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Henry H. Heimann,
Executive Manager,
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"The reserves of business must be strengthened if they are to support the increasing taxation load that is as inevitable as tomorrow. Sound prosperity was never built upon the destruction of both human life and property nor was any standard of living ever permanently increased as a result of war. If we keep those facts in mind, war earnings will be automatically segregated by us for the time when war activity ceases."

and even bathe them, are irresponsible. . . .

A newspaper reported his speech, and he had an awful time backing water!

Our home life is delightful. I think a chief reason for this is that no one of us sees too much of any of the others. That goes double for John. He is an upstanding young fellow, and I am proud of him. He has always had a mother, but not too much mothering. He has had to depend on himself a lot, and he is the better for it.

Frances is able to take an objective view of him because she sees so many other people; that's good for both of them. We are three human beings developing our separate ways, as we should, with the best of the family relationship retained, a lot of its less agreeable aspects omitted. . . .

How about the extra money earned by my wife? Well, it enables us to do freely many things that we might not feel like permitting ourselves, if I were the only earner.

We live more fully and richly. Isn't that a good thing? Certainly it's the goal, to be enjoyed by all, toward which material and cultural achievement in a rational society must trend.

Finally, how about all those people whom my wife is supposedly keeping out of jobs by working? As to that, she denies that a job is a tangible piece of property which can be passed from one person to another at will, like an orange or a can of tomatoes. In many cases, she insists, even in semi-routine positions, a job exists because the person who holds it created it—saw possibilities, took responsibilities. The job is like that because the person is like that. Let the person who holds that job go, and the job may go, too. The work may still have to be done; but it will probably be done differently.

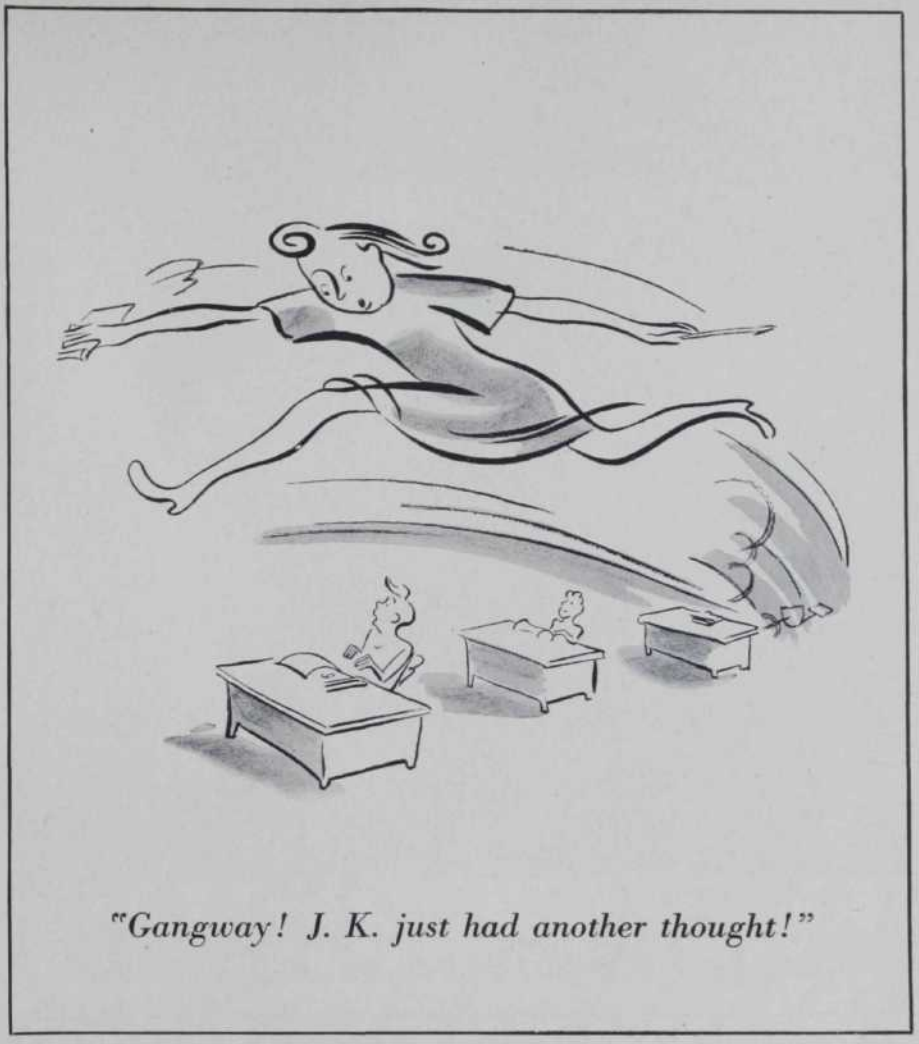
Jobs are not merchandise

JOBS are people at work, not pianos or automobiles or balls of string. A lot of grief among the unemployed, she insists, comes from confused thinking on this point.

Her own job, to cite an example, exists only because a person of her temperament and capabilities happened to be associated with that organization. She gradually grew up to the job, created it for herself. Without false modesty, she knows she can hold down the job better than 99 out of 100 people who might like to grab it if they could. Her knowledge and ability have been acquired over a period of years.

Others unquestionably could learn in time to do it as well as she does it; she has never believed that she or any individual in any organization is indispensable or irreplaceable. But she does have the intelligent conviction that efficiency in a key job is important, not merely for the one holding the job, but also for many others affected by it.

She also says that there is a world of difference between "holding" a job and "filling" it. In a word, she believes that a lot of gibberish, based on entirely false conceptions, is talked when it is proposed



"Gangway! J. K. just had another thought!"

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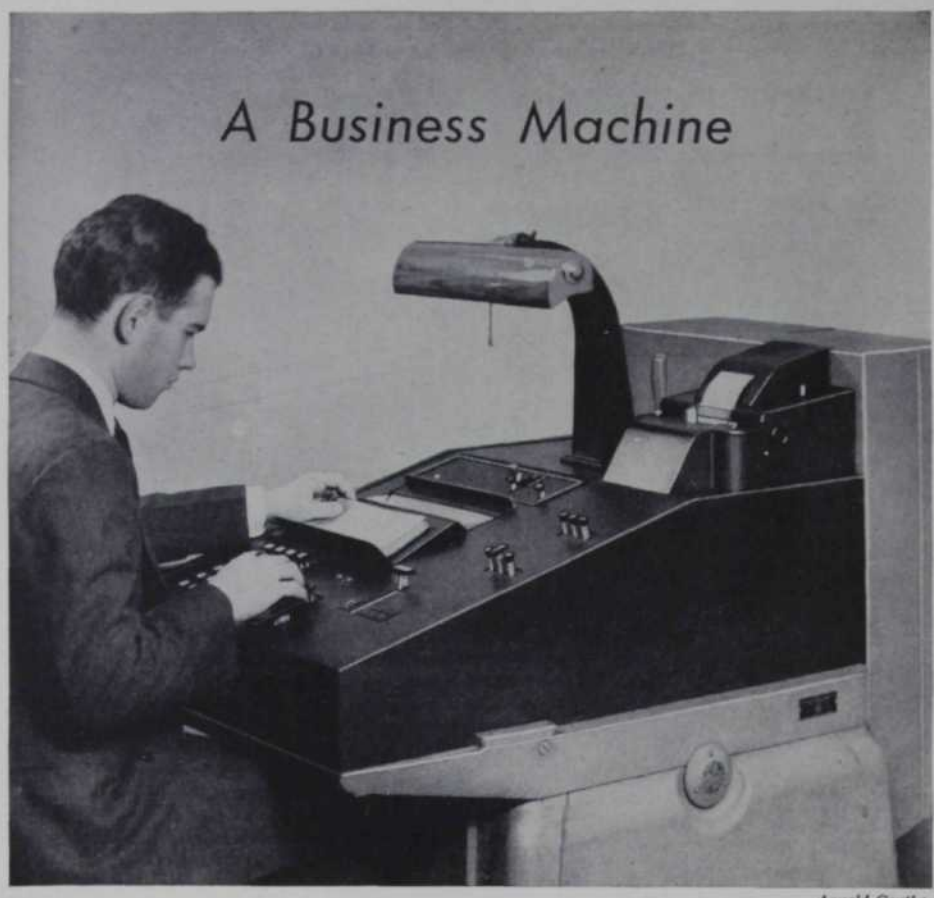
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to oust competent people from jobs, picking first on wives, in order to give those jobs to people whose principal qualification is that they need the money.

Next, she says, we shall see propaganda advanced to oust general managers and presidents, on the ground that they have worked long, have money in the bank and don't need their jobs to live on!

My wife flatly denies that, by drawing a salary of $250 a month, she automatically takes $250 away from some needy person without any return. She points out that she not only earns—she spends, too. She and I together pay a fairly good-sized income tax; that's one way of spending for the (presumed) general welfare. We spend in many ways that are more directly beneficial to others. Several months ago at a sidewalk exhibition of paintings, we bought a picture of the Gary, Ind., dunes for $100 from a struggling young artist who had never before made a major sale. We think we got a bargain and a beautiful picture, but I know that the sale was a godsend to him. We would never have made such a purchase, if we had not been in fairly easy circumstances, thanks to having two earners in the family.

Help for other businesses

WE BUY new books rather prodigally. We seldom keep a car after it gets to be more than a year old. We buy good clothes and plenty of them. We go to theatres and concerts, restaurants and sports. The threads of economic benefit travel a million untraceable paths to their destinations.

I presume that by spending as we do we yield some fragment of benefit to authors, automobile and clothing workers, musicians, actors, editors, waiters and all the others whose products we buy and pay for.

So, while I'll admit that my wife holds a position which somebody now walking the streets hunting a job might like to have and conceivably could fill as well as she fills it, both she and I maintain that she may well be creating fully as much employment by the spending of her salary, as she allegedly deprives others of by working. Maybe she creates more. Competence often does.

I am privately satisfied that this nation will not go far in solving unemployment by blindly discharging competent, efficient working women who are also wives, and who in many cases have created their own jobs rather than been "given" them. Nor will we create a healthy social situation if we make a practice of encouraging the discharge of employed young women when they marry, as is threatened in the case of my young friend at the University.

The protest against working wives is in the nature of an economic nostrum, a "cure" that superficially looks all right, but actually does harm. Traditional thinking is bound up with it, rather than straight facing of changed conditions. Unless we think straight and true on it, and refuse hasty action, we are likely to throw some disastrous monkey-wrenches into our national industrial machinery.

Women's Clubs Study Employment

OPPOSITION to gainful employment of married women as reflected in polls of public opinion and discriminatory restrictions is challenged in a 69 page report of investigation sponsored by National Federation of Business and Professional Women's Clubs, Inc., New York. Begun in 1939, the project comprehended representative sounding of cross-section of Federation's 71,000 members, local surveys by 36 state committees, reference to previous studies by various organizations, government agencies, and educational institutions.

Report titled "Position of Married Women in the Economic World" was presented at recent convention of the Federation held in Asheville, North Carolina. Conclusions in brief:

Only one in every five or six married women is gainfully employed. Majority work through necessity.

Pay of employed married women raises family income above subsistence level, broadens range of purchasing power and home ownership, enables family to hire domestic help, thereby enlarging market for unskilled labor.

National unemployment problem would not be solved by putting employment of married women on need basis. Women have not figured greatly in heavy industries where unemployment has been most acute. Depression has touched comparatively lightly consumer goods and service enterprises, chief employers of women.

Blanket legislation harmful

MANY married women support dependents in whole or in part.

Question of whether wife should work outside home should be answered in light of family situation. Blanket legislation ruling out all married women would prevent family from making adjustments.

Employment is not an important factor in determining birth rate. Few women in families with higher incomes work outside home, yet have lower birth rate than women in low income brackets.

Little evidence of neglect of home or children by working mothers. No showing of mothers' employment as cause of child delinquency appears in degree to give ground for argument to that effect.

Where wife's personality requires occupational outlet for mature development, society is gainer by her contribution through employment; human beings cannot be forced into a repressive mold and retain qualities distinguishing them as individuals.

Number of divorce cases involving working women offers no convincing proof that employment was cause for separation.

Some bills against employment of married women have originated as means to oust half a dozen or so women whose jobs were traceable to political corruption or nepotism.



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MEMO . . . for Busy Readers

1 • Business can insure against losses of war 2 • Clocks flash official time • 3 Real estate trends in war are anticipated • 4 How aluminum is being used

Insurance Girds for War Risks

ADAPTATION of business practices to new conditions is currently suggested in concern of world's insurance community to provide adequate coverage for war risks. Extension of protection through "warlike" vandalism endorsement is indicated in the following paragraph:

Physical injury or destruction caused by acts committed by the agent of any government, party, or faction engaged in war, hostilities or other warlike operations, providing such agent is acting secretly and not in connection with any operations of military or naval armed forces in the country where the described property is situated.

Losses deriving from war or military operations, as listed in the *Lanphar Counselor,* published by the Lanphar Agency, Detroit, include:

Malicious fire by secret agents or sympathizers; malicious explosion by secret agents or sympathizers; malicious damage by disgruntled employees; malicious damage by secret agents or belligerents; malicious damage by unofficial sympathizers or fanatics; malicious damage by secret agents or governments not at war; malicious damage by secret agents of revolutionary faction; bomb dropped accidentally by army airplane during peace-time maneuvers—explodes; same, but country is at war; accidental crash of army airplane in peacetime; same, but at maneuvers during war; accidental explosion of shell made for army; mob of foreign sympathizers incited to burn property; enemy declares war, shells property; foreign country bombs property without declaring war; enemy army seizes and burns property; neighboring property bombed by enemy, fire spreads to insured property; army airplane crashes or accidentally drops bomb while fighting invasion; foreign secret agent plants bomb in neighboring building, fire spreads to insured property; same, but concussion damages insured property.

Time Checkers Watch Flashes

PUBLIC'S interest in time is visually confirmed by crowd receptivity to Western Union's color signals flashed in connection with clocks in two of company's New York offices. As hourly time check comes through master clock from Naval Observatory in Washington, red light shows on face of office clocks. Established late in June, service has packed people by hundreds on sidewalks giving view of clocks.

Every hour on the hour a correcting signal is flashed over telegraph circuits to Western Union clocks throughout country. This electrical impulse energizes magnet which snaps minute hand exactly to hour dot. This action causes bulbs in two test clocks to light.

Before Western Union's time service began in 1889, standard time was made known in New York City by dropping precisely at noon each day time ball on tower at Broadway and Dey Street, then one of city's tallest buildings. Five minutes before noon big ball was raised to top of pole. Noon time signal from Washington automatically disengaged a lever, released ball for slide down pole.

Because of the building's height, time ball was visible for many miles. Crowds gathered in the streets with watches in hand to check their time, captains of vessels trained their telescopes on the ball, and persons in schools and factories across the Hudson River in New Jersey regularly gave their attention to the daily rite performed atop the building in distant Manhattan.

Realtors Review War Experience

HOW real estate will fare in national commitments of resources to fulfil preparedness program can be estimated in part by reference to experience in first world war, though conditions obviously differ considerably from economic, social and political factors in effect between 1914 and 1917.

In New York, in the period 1914-1920, according to records of title companies, as reported by National Association of Real Estate Boards, commercial renting improved steadily almost from start. As volume of exports to Allies increased, corresponding demand for downtown office space was noted. Office, loft, and warehouse space rented freely at rising rates. Effects of war activities were felt later in apartment field. Influx of office and loft tenants stimulated rental of residential property. Fall of 1916 turned out to be one of New York's most active seasons. Mortgage lending dropped in 1915, rose again in 1916 and 1917, then in 1918 declined 55 per cent.

New construction rose during period of our neutrality, slumped markedly

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during our participation in the war. Scarcity of apartments became acute almost immediately after entry of this country into the war. Showing in other sections was varied. In Chicago, for example, real estate movement quickened in 1916, but our entry into the war brought in 1917 a 20 per cent drop in transfers, and another 19 per cent drop the next year.

In St. Louis, title records show, war cut real estate activity to half its normal volume. Pulse of local real estate beat with ups and downs of community industrial activity.

With regard to housing problems related to armament production, the Association asserts that emergency housing situations will undoubtedly arise in many communities where the defense program requires quick expansion of industry. In 1917 and 1918 housing proved to be a very real bottleneck in production program. An airplane plant in New Jersey had to cope with a labor turnover of 360 per cent a month.

At that time manufacturers reported that production was slowed down as much as 30 per cent by reason of inadequate living accommodations. In some instances it was necessary to assign beds to three different persons for eight-hour individual use.

Building sites with municipal facilities installed are available in adequate quantities. Vacant sites, the Association proposes, should be used to avoid delay through taking raw land and putting in streets, sidewalks, and utilities. Ready for construction of small homes is a wide variety of plans suited to different communities and varying climatic conditions—a preparedness which would save time and money in meeting housing needs.

Aluminum in Homes to Stay

IDEA of nation beating ploughshares into swords took new twist with British housewives asked by government to turn in aluminum pots and pans for airplane production. With only six per cent of aluminum currently used in this country for manufacture of cooking utensils, Aluminum Wares Association sees little likelihood of similar request operative in United States.

Decline of totals of kitchen wares is explained by rise of industrial applications.

Tabulations released by Aluminum Company of America for five year periods ended 1930 and 1939, respectively, show gains in industrial requirements, with cooking utensils static:

	Five Years Ending 1930	1939
Transportation (Land, Air, Water)	38%	29%
Electrical Conductors	16	10
Cooking utensils	14	14
Machinery & Electrical Appliances	9	15
Iron and Steel Metallurgy	8	5
Building	4	8
Misc. Foundry & Metal Working	4	4
Chemical	2	5
Food Products	1	6
General Miscellaneous	4	4
	100%	100%

the "parade of industries" into

Pennsylvania

may point to profits for you





THE COMPANY which obtained exclusive right to use a new type of rubber in toys, advertising novelties, etc., has just opened a large plant in a Western Pennsylvania town.



A FIRM MANUFACTURING airplanes for private use has just come to Pennsylvania, has found a satisfactory building where it is now in production, and has made plans for building a permanent plant here.



A COMPANY manufacturing paper box board, folding cartons and shipping containers has just come to Philadelphia, invested $135,000 in a plant and is preparing to invest $35,000 more in an addition.

Recent construction of new plants and additions to old ones have been greater in Pennsylvania than the reported total of any other state.

Pennsylvania's wealth of natural resources . . . its proximity to rich markets . . . its record-low rate of labor troubles . . . its prosperous agriculture . . . its State Government which is genuinely helpful to business . . . all these make Pennsylvania an ideal location for industrial plants. If you are looking for opportunities for your business, write to the Department of Commerce, Harrisburg, for the booklet, "Pennsylvania—Its Many Industrial Advantages."

Pennsylvania

where your business can expand

ARTHUR H. JAMES, *Governor* • RICHARD F. BROWN, *Secretary of Commerce*

Let the Big Fellows Be Your Smallest Worry

(Continued from page 22)

improve their products. If I'm going to manufacture, I'd better pick out something simpler."

My selection was photographer's "hypo," which the picture laboratories were even then using by the ton. It could be made from sulphur and our abundant California desert sodas, and was comparatively simple.

Yet, I managed to complicate it at the start!

Los Angeles was then using fuel gas made from oil. To free the gas from sulphur, it was passed through iron oxide. The spent iron oxide was a waste material that the gas company gladly gave to anybody who would haul it away. There was an endless supply of free sulphur, and I began with something-for-nothing, and wasted a lot of time discovering that it contained so many other things besides sulphur that good hypo couldn't be made with it. When I bought good Louisiana, Texas or California sulphur, my hypo would stand the tests.

Factory equipment!

MY FIRST piece of factory equipment was a secondhand bathtub, bought for $25 at a junk yard. It was the cheapest thing that could be found for boiling chemicals without metal contacts—metals are very troublesome in photo developing and printing.

When my first batch of hypo was ready, I faced the problem of selling, and that was hard for me, because I assumed that the salesman was rebuffed, and dodged, and bargained with.

Going into a wholesale house that handled chemicals, I began by buying a keg to put my hypo in, telling the wholesaler I had some hypo to sell. He said, "Bring it in," and, after satisfying himself that it was good hypo, bought it for six dollars—my first sale.

That led to manufacturing and distributing chemicals to Hollywood, and growing with the expansion of its picture laboratories.

Today, if a train started for New York, or the fastest ocean liner for Europe and the combined film output of Hollywood started neck-and-neck, the film would beat both train and liner. Because Hollywood now turns out more than 1,300 miles of film every day.

We have about 60 per cent of Hollywood's chemical business, and besides making improvements in the chemicals, have benefited by being close to the laboratories, on the telephone for rush orders, technical service, and "stunts." One of our stunts was originating "hot ice" for skating scenes, using our hypo. It makes a dandy skating surface, not affected by the sun, and you can fall on it just as hard as on real ice.

Our first factory was a sketchy place, on a six-acre piece of land then in the fringes of the city. It was roofed with corrugated iron, open to the climate, and equipped with secondhand tanks, boilers, pipes and machinery. I had a plant manager who was a keen shopper for secondhand apparatus—we seldom bought anything new because we couldn't afford it.

Among the big fellows likely to worry the small manufacturer at this stage of his growth are the bankers, and before long we had an experience with them which seemed to confirm all the beliefs about their having glass eyes and stony hearts.

After picture film is so worn that it no longer gives clear projection, it comes back to Hollywood, and is worth money for its silver and "celluloid" (really nitrocellulose and camphor). We began reclaiming this worn film, had a ready market for the silver, and found a London buyer who sold the stripped film to Germany.

Our London buyer paid promptly for several shipments, and then suddenly refused a shipment.

As we needed money all the time, we had drawn sight drafts on this buyer as soon as the shipment was made, and discounted them at our bank.

Now the bank wanted its money—$2,500. I had to mortgage some real estate to pay the amount, and the bank's action seemed pretty cold—why couldn't it be paid off gradually? Later, we realized that the fault had been our own. We should have obtained better credit information on our customer. The film was lost, we never got a dollar for it, but the lesson was worth what it cost.

As this original factory grew, it was brought into balance, though we did not realize it at the time.

Kinds of business ability

IF YOU look into almost any business that succeeds, you will find that it has four different kinds of ability. First, somebody who knows how to make the product; second, somebody who knows how to sell it; third, somebody who keeps the accounting straight; and fourth, rarest of all—somebody who knows how to keep ready for the future, through research, both in the improvement of the product, and the anticipation of changes in public demand.

I was a competent chemist, but I know now that I would never have developed into a chemical engineer, capable of planning and supervising manufacturing processes in competition with large chemical companies. I did develop selling ability, but have always been a poor hand at accounting, and you know that I lack research ability.

The first assistant in bringing balance was a woman, our office manager, whom we believe to be the only woman secretary and treasurer of a chemical manufacturing company in the country. Georgia Dwight had worked in various offices when she undertook the bookkeeping in my consulting laboratory and, after satisfying herself that I could pay the rent, settled down to making her job a career.

Then a chemical engineer, H. Stougaard, who had had wide experience in the desert soda plants, came in as factory manager, and soon disclosed a positive genius for making "good enough" do the work of "best." When we needed equipment, he always knew where it was to be bought secondhand, at a bargain, and how to make it efficient. He was also an excellent manager of men, and good men like to work for him. That took care of production.

Improved manufacturing

IN 1928, our growth made it possible to hire a chemical engineer of unusual experience. Fred C. Bowman had been connected with large eastern chemical companies, but had come to California for health, and we knew that he could improve our photo chemicals, but did not realize that he would go a good deal further.

His way of looking at manufacturing was entirely different from our own, and before long he laid before us some facts he had gathered about an opportunity we would never have discovered.

There was a chemical called "trisodium phosphate," or T.S.P. for short. It looked like granulated sugar, and was a better water softener than any previously used—and the West is a hard water region. Manufacturers put it in soap and household cleaners, and it had various industrial uses.

The Pacific Coast bought about 1,000 tons a year, all shipped in from eastern manufacturers—none was made west of Chicago.

T.S.P. is made of soda and phosphoric acid. Up in Montana, the copper smelters had abundant sulphuric acid as a by-product, which they used to make phosphoric acid from Idaho phosphate rock. The phosphoric acid went into fertilizers.

Bowman figured again and again before announcing that we could make T.S.P. from this acid, and our California desert soda. His respect for freight rates and prices astonished us—he was cost-minded, and we were not at that time.

He was satisfied that we had a real opportunity to compete with the big fellows, because we were close to the Pacific Coast purchasers, and had developed selling ability with photo chemicals.

So, in 1928, we built a plant to make this material, and even with Stougaard's ingenuity in adapting secondhand equipment, it was a struggle.

One possibility might have helped us financially. The Montana smelter company was big, and if we used its phosphoric acid for a new purpose, would have an additional market. More than once, a big company has found it advantageous to assist in the starting of a new business in such circumstances, but this new outlet for phosphoric acid



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would be modest, and so it was not a financial possibility for us.

Bankers were cautious. We hadn't demonstrated our ability to make such a product in competition with big concerns. Until we did so, investment capital was not for us. At the time, that seemed hard, but today we know that the bankers were right. We built with what money we could raise, and as soon as we went into production, found out why Bowman had figured costs so carefully—his bottom figures were even lower than those on which the decision was made to begin manufacturing.

Prices were coming down

OUR product was no sooner on the market than eastern manufacturers cut their prices—to exterminate us, we thought!

Customers for T.S.P. were wholesale and industrial concerns, hard-boiled buyers on price, and our first sales had to be made at prices one-quarter lower than we had anticipated.

That certainly looked like a declaration of war by the big fellows, but while we had to fight, price for price, it now seems to us that we were not fighting the big chemical companies at all.

It was a general war, and they were forced to fight, too.

T.S.P. was comparatively new, and still it was rapidly becoming known, as a fine maid-of-all-work in the home, and jack-of-all-trades in industry. The demand was increasing, and so was the production, different manufacturers were finding ways to cut their costs, and the price would have come down on the Pacific Coast just as surely had we never stepped in as manufacturers.

Thanks to good preliminary cost work, our price could be as low as anybody's and still leave the narrow profit on which such heavy chemicals are made and sold. Without such cost work, we would have soon been bankrupt—and blamed it on the big fellows!

We had advantages. We were close to western customers, had a reputation as chemists, and could advise on uses.

And we could sell to customers they passed over—it was here that the bookkeeping member of our balanced quartette "did her stuff."

A little fellow, starting in business, needed a few barrels of T.S.P. Or maybe he was bigger, in business longer, but having a tough time.

When the big fellow's credit man looked over the rating of such a customer, he said, "C.O.D."

When Mrs. Dwight saw the rating, she called up the customer and had a talk, asked him about his customers, his suppliers, his payment of bills, and so on. In most cases, he was a good customer for a limited quantity, sold with a personal understanding about payment, perhaps in a couple of instalments and, with her growing knowledge of the trade, Mrs. Dwight might be able to make useful suggestions to help the little fellow's business grow.

Thus, we made customers of people who, until then, had never amounted to very much. As they grew, our sales grew.

We soon discovered a defect in standard T.S.P. On its ocean voyage through the Panama Canal it would cake hard.

This didn't matter to the industrial buyer, but raised difficulties for the manufacturer of package household cleaners, because his cleaner caked on the dealers' shelves.

We developed a form of trisodium phosphate that wouldn't cake, patented the process, sold it as T.S.P. "N" and got prestige with it.

In some cases, such an improvement might win large markets, but this product sold at a higher price, and was bought only by package cleaner manufacturers. The sales were not large, but it made an excellent talking point.

There are definite advantages in being a small fellow, on the spot. People like to deal with principals. He can meet situations directly, where the big fellow's salesman has to wire for instructions.

When we started, T.S.P. sold at around five cents a pound. Today, it sells under three cents, and the Coast's consumption has doubled.

While we were proving that we could hold our own, there were times when we needed money. The bankers were still unconvinced, and once, after examining our statement, advised us to get out of the T.S.P. business.

That was disheartening, and also stimulating. We resolved that we would show them, and by borrowing, mortgaging and other devices, got through the narrow place in the road.

Several years later, we had the satisfaction of comparing our dividends with those of the banks that could not grant us credit. Our dividends were better than theirs.

However, banks lend other people's money, not their own, and at that time we would not have slept well if we had thought they were lending our little balance recklessly. You can blame the bankers for what happens to you, but after all, it is nothing more than an alibi to yourself.

Big or little, you are in the business of supplying the public with something it will pay for, if the price is right. Your costs must be in line.

Our original T.S.P. plant was built with equipment bought from bankrupt chemical concerns that had started on bad cost figuring. It was said that the big fellows back east had driven them out of business, but they had really been out before they started.

Big concerns do not worry about competition from the intelligent little fellow—in fact, they recognize that he is helping increase the demand, through his selling activity.

But they are worried by the little fellow who doesn't know his costs, and sells below everybody's costs. Eventually, he will go broke but, while he is digging his own grave, he is a nuisance. People do get his product at bargain prices while he is doing that, but there is probably no real public gain in bankruptcies.

The small man must know his costs, absolutely, and it is a good thing for him to know his big competitors, because some day he may need them.

The best way to know them is to buy from and sell to them. We buy a good many chemicals that we cannot profitably make, to round out our line, and get them from our big competitors. They buy some of our chemicals in the same way, and on several chemicals, which we both make, there are often emergencies in which we trade cars. We may have a car handy to fill a rush order when the other fellow's shipment has been delayed, and the other way about.

During the long Pacific Coast Shipping strike, several years ago, there were many instances in which we worked together to take care of demand during a shortage, keep everybody supplied, and maintain the good reputation of our common product.

A year ago, after another careful cost survey, we saw an opportunity to manufacture another chemical, tetrasodium pyrophosphate, or "pyro." It looks like talcum powder, does most of the things done by T.S.P., except water softening, and has a curious story.

Chemists have known "pyro" since 1828, but only within the past three years has it sprung into prominence. Makers of household soap and cleaners suddenly discovered that it washes clothes cleaner, and more easily, oil well drillers found that it improved drilling mud, and others are investigating its possibilities for water treatment, wool and silk scouring, paint, pottery—even road building and cheese making.

In less than a year, pyro rose from nothing to carload demand, because it contains about three times as much phosphoric acid as trisodium phosphate, does more work per pound and, being bone dry where trisodium phosphate is about half water, gives the purchaser much better value for freight paid.

A plant with new equipment

OUR new pyro unit, which went into production just the other day, is the first we have ever been able to build with 100 per cent new equipment, to carry out a well designed process, and while it would be just a small factory to the average citizen, and might be stowed away in some of our big competitors' warehouses, it looks different to us—we mentally compare it with the second-hand bathtub from which it grew—and from which we grew ourselves.

Then, there was one college "prof," who had not even an inkling of the knowledge needed by a manufacturer.

Now, there is a balanced business, built by the teamwork of four executives, each of whom has the knowledge needed in the four important departments, each a stockholder, and with a plant and a trade built up out of the earnings.

Our satisfaction is real, and yet it is relative. Because we know that, in the same period, many other small people have accomplished as much, and that others are doing it today, and will be in the future, no matter how big the competition.

Bigness has its handicaps as well as its advantages.

There are better things to worry about.

GOOD SERVICE *is Good Business*

by Westinghouse



• *Probably* it never occurred to you, but the life of a Westinghouse Service Engineer is a very exciting career. This morning he may be doing a simple repair job, and this afternoon he may be aboard a plane speeding to the rescue of a power company miles away whose electrical equipment has been paralyzed by some disaster.

• *For instance,* we recall the hurricane that swept the Atlantic seaboard in 1938. A record tide played havoc with the generating equipment of one of New York City's great power plants. At midnight our Service Department received the emergency call. By morning, the entire New York field force, reinforced by service men from our Newark, Pittsburgh, Buffalo, Utica and Philadelphia Service Shops were on the job.

• *They found machinery* flooded with salt water and drenched in a sludge of oil. 35 large pumps and auxiliary motors and their electrical controls were affected. Yet by the middle of the fourth day, one of the generating units was back in service. A crew of 135 men working in three eight hour shifts soon had the entire station back in normal operation.

• *Only a year before* our service men braved even fire to help a Cincinnati customer continue operations. Because our men stayed on the job in a building choked with smoke and intense heat from an adjoining fire, the company was able to maintain its regular production schedule.

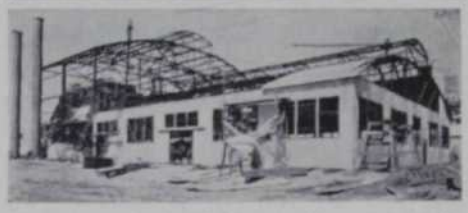
• *Ingenuity is also* a prime requisite of these service men. For instance, our New England men were given the problem of drying and smoothing out water soaked currency, bonds and other valuable papers soaked by flood. They did it promptly and efficiently simply by using Westinghouse household ironers to press the paper straight and dry.

• *These are only* a few examples of the score of unusual tasks a Service Department must perform. Actually, this department, in our case, is an industry within itself. We must manufacture millions of dollars worth of service equipment each year. This includes special equipment as well as renewal parts for apparatus which is no longer in regular production.

• *To meet* the unending demands for electrical service we maintain thirty-six service plants strategically located throughout the country. More than 3,000 men are normally employed. No piece of electrical apparatus in America is more than a few hours by rail, boat or plane from these plants, equipment and men.

• *Naturally,* we are proud of the record of this department. And we, as many others, consider it one of the most important arms of our business. Good Service is always Good Business.

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Legal Brakes on National Defense

(Continued from page 16)

plenty of employment offices where these men would be received with open arms.

But even if we could accept the extreme assumption that there is now no shortage of skilled labor, few would venture to deny that a scarcity is fairly certain to develop as soon as the industrial part of the defense program gets into action at top speed. Shipyards, steel works, airplane factories and munitions plants already are preparing to step up production far beyond usual peacetime requirements. At a hearing in July before a congressional committee, the chief of the Navy's civil engineers testified that there will be a shortage of skilled labor when the navy construction program gets into high speed. He urged the lengthening of daily working hours.

A potential labor shortage

THE Government is planning to build new plants for operation either by itself or by private corporations. At the same time, Congress is considering measures to withdraw hundreds of thousands of young men from the job market and segregate them for military service or training. If the United States should become involved in war, the figure would be expanded to millions.

That this potential labor shortage is recognized even by those in government and in organized labor who now oppose any relaxation of wage-hour regulations is shown by the fact that government and labor are cooperating actively in the training of skilled workers. One of the first moves in the defense program was to urge employers to expand their apprentice courses and their methods of educating employees for skilled tasks. To these private programs have been added the efforts of the federal Office of Education, the Civilian Conservation Corps, the National Youth Administration, and the Committee on Apprentice Training in the Department of Labor. There is universal recognition of the urgent need for training men in the mechanical crafts and in skills required for special operations. Anyone who wishes to do so is welcome to interpret this activity according to any other theory than that there is imminent need for many more skilled men than are now available.

This brings us to a curious oddity of bureaucratic administration. The Government urges employers to promote training programs for their workers, in the interests of national defense. Under the current interpretation of the Fair Labor Standards Act, however, it seems doubtful just how much an employer can do along this line, and just how he can do it, without making himself liable to pay wages—perhaps at overtime rates—for the time spent in training courses which are intended to develop skill on the job.

For this reason, some employers hesitate to establish these courses. In fact, some programs were discontinued or curtailed when the wage-hour administrator several months ago issued a ruling which required that, in many cases, all the time spent in attending company-conducting training conferences and lectures must be considered as time worked, and paid for at regular rates or at time and a half, depending upon the length of the work week. Either the law or the regulations on this point should be liberalized, or at least clarified.

This is only one example of the incidental unanticipated hindrances and handicaps resulting from legislative attempts to regulate working time. Others are equally troublesome. One relates to the work of supervisory and "white collar" employees who presumably were not in the minds of legislators when they enacted the laws. The Fair Labor Standards Act exempts executive and professional workers, but leaves it to the administrator to decide who these workers are. Thus far, administrative rulings have defined the terms so rigidly that it has been exceedingly difficult to claim the exemptions without peril of violating the law.

The Public Contracts Act exempts office and custodial workers and applies indiscriminately to all employees directly engaged in production. The result of these puzzling and inconsistent provisions has been that many employers, unwilling to establish the precedent of paying overtime to salaried workers, have limited the hours of these employees to those set by the statute. As a result of this cautious policy, productive operations may be held up while the wage earners wait for plans or instructions from technicians who are not allowed to work more than 40 or 42 hours a week. This summer it was expected that, within a short time, the wage-hour administrator would issue new definitions of executive and supervisory employees, giving greater opportunity for the exemption of responsible salaried workers.

Costs may be exorbitant

IT IS true, as stated by government and labor spokesmen, that neither the wage-hour nor the Walsh-Healey act prohibits a lengthened work week, provided the employer is willing to pay time and a half for the excess hours. But overtime is an added element of cost. To provide for this uneconomical expenditure, the contractor must raise his prices. This, if done generally, would start an upward spiral of living costs, with its adverse effects felt by the whole population, including the wage earners.

One other defense of governmental restriction of working time needs to be considered. It is that most of the excess demand—actual and prospective—is for highly skilled craftsmen and that these employees work under union contracts which restrict the basic week's work to 40 hours or less and which would continue to operate regardless of federal or state laws. This is only partly true. Not all skilled craftsmen are organized, not

all union contracts prescribe a 40-hour week, and not all contracts run forever.

Moreover, these contracts rarely cover technical, supervisory, and white collar employees, restriction of whose working hours, as we have seen, is one of the efficiency destroying by-products of both the wage-hour law and the Walsh-Healey law. In any event, if once we take seriously the requirements of military preparedness or of actual war, union labor cannot expect to escape all sacrifice—any more than it did in France or Germany. Certainly the Government cannot consistently continue to encourage and enforce restrictions which shackle management.

This leads to a further thought. The fundamental objection to wage regulation by government is not so much that it produces bad effects in detail as that it interferes with that liberty of action by responsible management which is essential if industry is to operate at anything like its maximum efficiency. If the Government wants to get the best results in the war industries program, management should have the right to select the men best fitted for the jobs, and to work them, within reason, whatever hours will give promptness of operation and the maximum quantity and quality of output. Here it should be remembered that no wage earner is going to be asked to work for nothing. The most he will be asked to sacrifice will be some leisure and perhaps some overtime rates. This should not be considered an unreasonable burden, if we are really getting ready for national defense and not just trying sociological experiments.

Partially to meet the problem of working time, it has been suggested that the Walsh-Healey law be repealed, since it became unnecessary after the enactment of the wage-hour law, and that the latter statute be amended to permit a 48-hour working week without overtime, to exempt all highly paid salaried employees, and, in general, to give greater flexibility and liberty of action. The suggestion is worthy of careful consideration by Congress now.

Different type of restrictions

THE restrictive effects of the National Labor Relations Act are of somewhat different nature than those of the wage-hour law and the Walsh-Healey law. The Wagner law was enacted on the theory that it was a proper function of government to protect the right of self-organization and collective bargaining by workers. Ostensibly to attain this result, the law branded as "unfair labor practices" a number of actions by employers.

As it has been interpreted by its administrators—and it must be admitted that the National Labor Relations Board has an impressive record of decisions sustained by the courts—the law forbids an employer to talk with his employees about such vital subjects as unionism and labor relations, even when they come to him voluntarily for information or guidance. He is supposed to have nothing to say about organization, and to express no preference for a responsible union over a subversive one. By prohibiting discrimination against



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employees because of union activity, the law often has had the effect of making it almost impossible to discharge an inefficient or insubordinate worker, if only he is lucky enough to be an active unionist and therefore theoretically susceptible to discrimination.

The law expressly permits strikes for any cause or none at all—although the Labor Board, in meting out penalties to employers, sometimes makes distinctions between strikes that are due to "unfair labor practices" and strikes that are not. Sit-down strikes were treated as lawful weapons of unionism until a Supreme Court decision forced a change in the Board's attitude. In many plants, enforcement of the Wagner law has weakened discipline. As a result of Labor Board rulings highly critical of some actions of company guards, many employers now hesitate to adopt adequate measures for plant protection. This situation, highly dangerous in a time when national defense is of first importance, would become still worse if Congress finally should enact the La-Follette "labor spy bill," which passed the Senate in the present session.

Not a single sentence in the law prescribes loyalty by employees to the business that pays their wages. Some decisions of the Labor Board, on the other hand, have had considerable to say about the loyalty which the worker owes to his union. Cooperation between employees and management often is penalized. The theory of the law is that the normal relation between worker and employer is that of hostility and that the Government's proper function is to make rules for a fair fight.

Some people hold the mistaken belief that a change in the personnel of the National Labor Relations Board and of its staff will correct most of the abuses that have resulted from the administration of the law. This belief is dangerous because it threatens to divert attention from the fundamental source of trouble—the law itself. Probably it is true that the Labor Board has been overzealous and that it has taken too seriously its supposed duty of fostering labor unionism. In the main, however, the Board has done what it was hired to do. It has enforced a law which is essentially one-sided and which makes no pretense of

No red tape for visitors to Canada



CANADIAN TRAVEL BUREAU

Tourists from United States get first view of Quebec

CANADA'S promotion of American tourist travel in the Dominion has made hard headway against adverse rumors. Typical damper heard on this side of the border: "Yes, you can go into Canada, but you'll have a tough time getting out."

To clear up fog, Canadian Pacific and Canadian National Railways, in cooperation with Canadian Travel Bureau, have sponsored series of broadcasts to publicize easy accessibility of their country's tourist attractions. Core of campaign is hearty welcome for Americans eager to experience famed hospitality of the good neighbor on the north. Point is that visitors need no passports, are free to come and go when and where spirits move them, can leave without hindrance. However, military areas are forbidden ground, and tourists are forbidden to carry firearms or ammunition.

American regulations applied to control of aliens have been so modified that returning Americans can readily establish fact of permanent residence in United States by documentary proof of identity to border immigration officials. Acceptable evidence includes birth or baptismal certificates, driver's license, tax receipts, voting certificates.

Red tape, official Canadian announcements assure, has been cut.

recognizing the interests of the employer or of the employee who happens to prefer not to join a particular union.

It has been generally assumed that, in the end, the National Labor Relations Act would be amended in the direction of greater workability and at least some approach to even-handed justice. The requirements of national defense now call for action sooner than "in the end." If Congress is in earnest about putting our military establishment into condition to meet possible emergencies, it should lose no time in repealing the Wagner law, or, if that is politically inexpedient, in amending it in thoroughgoing fashion. This year the House of Representatives passed amendments which would go far toward removing some of the worst injustices in the law. As this article is written, the amendments are bottled up in a Senate committee. They should be passed.

Business should be encouraged

BUT there is need not only for the modification of specific laws and regulations. Even more basic is the need for a change in the whole governmental attitude toward private industry. For almost eight years the Government has been hostile to business. It has done what it could to stigmatize business success and to weaken the incentives which encourage efficient management. This has happened particularly in the field of labor relations.

Now the Government is appealing to the patriotism of some of the same business leaders who have been criticized, harassed, and held up to public scorn. Of course, this appeal will succeed. Business men are giving whole-hearted support to the defense program, and they will continue to give that support regardless of legislative handcuffs or the Government's attitude. But the results will be far more valuable if the Government will drop the rôle of prosecutor and, at long last, show a sympathetic appreciation of the services and problems of industry.

One result of that hoped-for change in government policy would be that business executives could spend in productive work some of the time and effort now consumed in endless hearings and conferences with federal boards and bureaus. It would be an interesting statistical exercise to try to estimate the number of hours, days, and months which high-priced corporation executives and attorneys have spent in the past eight years at hearings before the National Labor Relations Board and its trial examiners and in conferences with officials of high and low degree.

This time-killing process has stretched all the weary way from the National Recovery Administration to the Division of Public Contracts and the Wage-Hour Division of the Department of Labor. If the time thus consumed could have been devoted to productive work, it might have gone a long way toward beating the depression. Surely, in a time of national emergency, it is to the interest of the nation to let its industrial leaders devote their energies to the jobs for which they were hired.



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More Costly Than Battleships

(Continued from page 32)

ment are in the $50 to $100 class. Thirty per cent of the total consists of questionnaires which cost little. The big cost of these is upon the individuals and business concerns having to reply. Last year the Government received nearly 136,000,000 such reports and questionnaires. The cost to the Government begins when these reports come in for tabulation and statistical analysis.

Many free mailings

OFFICIALS point out also that many of the free mailings include the 77 periodicals published by the government establishments, titles such as "Air Commerce Bulletin," "Employment Service News," "Fire Control Notes," "Land Policy Review," "Official Gazette," "Postal Guide," and so on through "Soil Conservation," "Woman Worker," and "Reclamation Era." As to these and other publications, the Public Printer recently reported to Congress:

There are many publishing houses with larger individual mailing lists, but it is believed there are none with so great a variety as that handled by the Mailing List Section of this office. At the present time it has 3,355 lists, varying in size from 100 to more than 100,000 names. At the close of the year these lists comprised 1,565,507 stencils, and during the year there were 528,981 additions and 368,629 names dropped.

Some government officials believe that the Post Office Department estimate of 1,000,000,000 pieces of mail is too high. Some members of Congress believe it is too low, especially the quantity—estimated at 970,000,000 pieces for 1939—put out by the government establishments. They call attention to the sprawling additions to Government in recent years, and assert that no doubt large tonnages of mail are shipped under penalty privileges by government agencies the Post Office Department never heard of.

Postal officials hope that these legislators are right. The larger the quantity upon which the Government collects no postage, the bigger the net profit the Post Office can show, since the postage the Department does not receive is deducted from its expenses.

Last year, an allowance of $39,234,683 for government mail more than offset a gross postal deficit of $38,681,862.90, and the Department came out with a profit!

Officials report that the total volume of government matter mailed under penalty postage by the federal establishments has increased nearly 300 per cent in the past ten years—from $8,347,505 in 1930 to $38,231,125 in 1939. The increase for Congress has been from $872,605 to $1,003,659 in this period. The Postmaster General reported to the President last December:

The free mailings by Congress "are not as extensive as is generally believed."

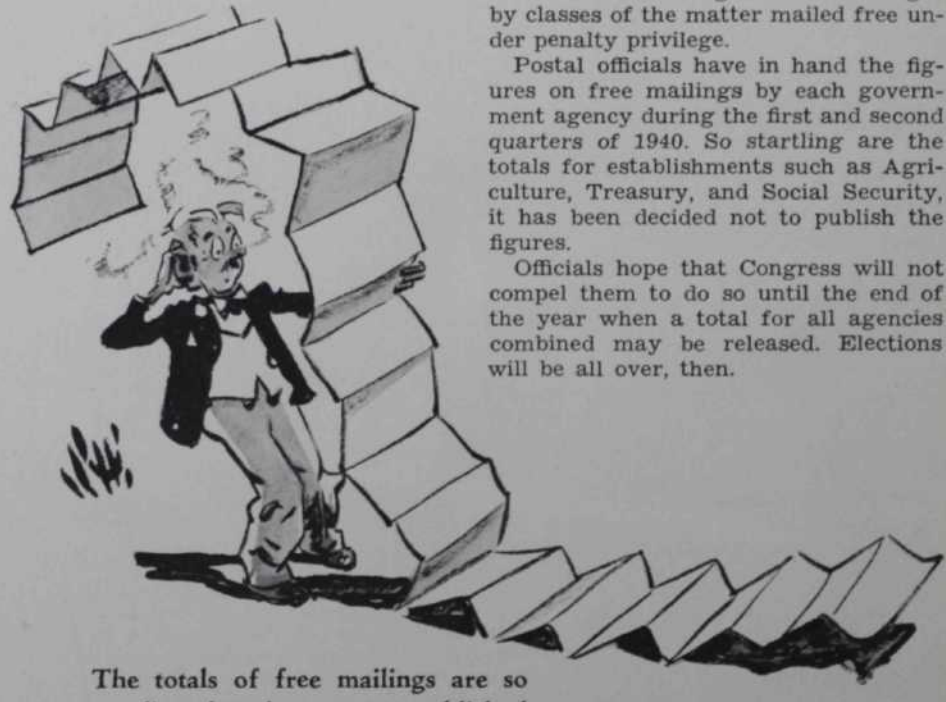
Figures after the election

HERETOFORE, the Post Office Department has estimated the free mailings on the basis of a statistical sampling twice a year at 600 post offices the country over.

Now, under an amendment to the Post Office Appropriations Act for 1940, the head of each executive department and independent establishment is required to submit quarterly to the Department a statement showing the actual weight by classes of the matter mailed free under penalty privilege.

Postal officials have in hand the figures on free mailings by each government agency during the first and second quarters of 1940. So startling are the totals for establishments such as Agriculture, Treasury, and Social Security, it has been decided not to publish the figures.

Officials hope that Congress will not compel them to do so until the end of the year when a total for all agencies combined may be released. Elections will be all over, then.



The totals of free mailings are so startling that they are not published

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Making a Hobby of Job Seeking

THE man past 40, looking for work, soon comes to feel that the cards are stacked against him. Repeated turndowns make him feel like an obsolete machine. Job hunting is selling one's self. A discouraged salesman is beaten before he starts. The average person is no salesman anyway. So the displaced man over 40, discouraged, and not knowing how to sell himself, rapidly drifts into the unemployable class.

But if he happens to live in Glendale, Calif., he will hear of C. Vere Standiford, the man whose hobby is finding jobs for the jobless. Going to see Mr. Standiford, he enters the waiting room of a busy modern life-insurance office. Other job seekers are there, some like himself, some younger, also boys and girls just out of school.

Personal talks with job seekers

THERE is no red tape, no standing in line, no cold impersonal stare from behind the bars of a window. The seeker soon finds himself in the inner office, talking to the general manager. There the job seeker gets the personal attention of a man who has built up an organization of 22 salesmen who wrote $500,000 worth of business in one year.

Mr. Standiford does more than just find jobs for people. He studies all applicants and tries to send each to the kind of work for which he is best fitted; he shows them how to sell themselves, and he gives them new hope and courage.

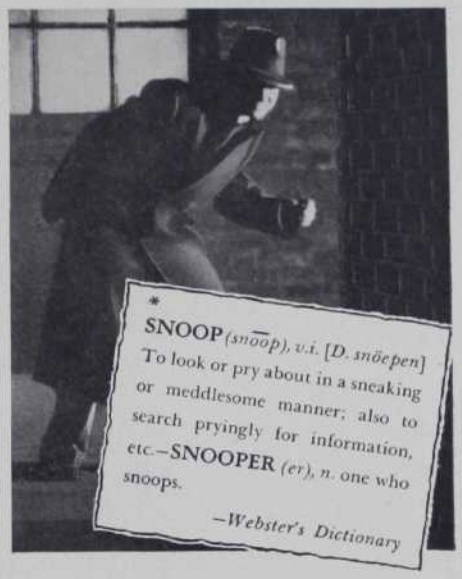
Typical of many was a young girl who said, "After this talk with you, I can find my own job."

The fame of this one-man employment service has spread in the business world as well as among the unemployed. Business men see that here is a man who is effectively shortening relief rolls. Employers are learning that they can send to him and get the worker they need. Both job and jobless are beating a path to his door.

The service is free. There is no fee, commission, or kick-back of any kind. Starting his unique hobby six years ago, Mr. Standiford is now placing 25 to 30 persons a week, ten per cent of them men and women past 40.

This busy executive who gets jobs for others says that what the unemployed need most is counsel. They don't know what they are best suited for, where to find it, or how to present their case. —HAYDEN KERSHNER

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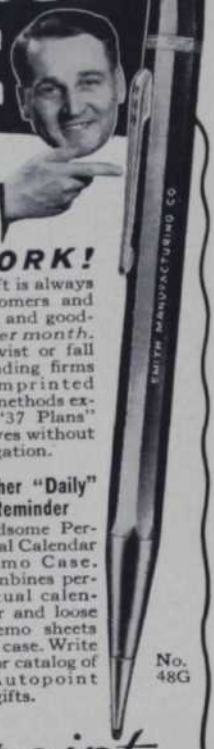


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T.V.A. Hydro Power Flunks Defense Test

(Continued from page 19)

existence. So long as T.V.A. was able to "get by" with its 100 per cent hydro system, it could work the "write-off" game. This will not be so easy with steam generation. The cost of auxiliary steam cannot be charged off to flood control or navigation. However, T.V.A. is resourceful and frequently persuasive. It may be able to write off some of its steam power cost for national defense. Unless it can find some such outlet, the necessary support for T.V.A. hydro that steam power must give will add materially to the cost of T.V.A. power. Gradually, as "basing" steam capacity is added, the power investment will grow and, if the T.V.A. system is made secure as a power supply, it will sooner or later take on the customary proportions of private utility plants. Then, if honest and complete cost records are kept, T.V.A. power will no longer be "cheap" in comparison with the power generated by private utility companies.

A one-sided presentation

THE present unbalance of the T.V.A. power system is the natural result of the political strategy necessary to achieving any power system under the guise of developing navigation with "by-product" power. Obviously sponsors of that agency could not show their power hand by asking Congress for money to build "basing steam" plants. That would have put the federal public utility business right out front. It would have taken the glitter off by-product water power. Now, however, the maintenance of the national defense alone will be considered ample excuse for new steam power, as needed, and more dams and storage, too, quite regardless of flood control and navigation improvement. Power is now forcing its proper recognition in the T.V.A. enterprise. At least it will no longer be possible to deny that T.V.A. is a power business—thanks to the national defense program.

National defense comes before flood control, and with its steady demand for power day and night, week in week out, T.V.A. flood control may possibly suffer. Flood control storage space may be demanded for national defense power purposes. These two uses conflict. Fortunate is that region that has not pawned its flood protection for the remuneration of by-product water power.

Reclamation projects in the West have learned a lesson, at high cost, by generating and selling power during the "storage" season when they should have held the water for later irrigation needs. An eminent irrigation engineer once wrote of the Salt River project in Arizona as follows:

To saddle an enterprise with the risk of having to deliver power during water storage, or other periods of stress, such as to become a burden on the land, already heavily taxed, might easily place the financial affairs of the entire irrigation enterprise in jeopardy and even cause many individuals to lose their entire investment. . . . The element of risk may be shifted to other shoulders by leasing or selling the power privileges under appropriate contracts which will assure freedom from interference with the water supply or operation of the irrigation system.

"Cheap" water power received another jolt recently in a House Committee report recommending changes in Boulder Dam legislation. Certain beneficiaries of the Boulder project had been trying for some time to get relief from the Boulder Dam Act that would place them on the same basis as other federally subsidized projects.

"The federal Government pays for flood control elsewhere," runs the argument, so why should Boulder Dam flood control expenditures have to be repaid from Boulder's power revenue. In the matter of interest, the Boulder legislation requires payment of interest at 4 per cent on government money advanced for the project, while legislation for other Federal power projects imply prevailing rates, or merely specify "assistance in liquidating the cost" as at T.V.A., or amortization of the power investment "over a reasonable period of years" as at Bonneville.

According to the House Committee:

The present trend of cost of competitive energy, i.e., energy generated by steam, is noticeably downward.

This is cause for concern because the Boulder Dam Act provides for the adjustment of rates for power at intervals to meet the cost of competitive steam power. So the Committee continues:

It now seems probable that a rate fixed upon a competitive basis as of 1945 would not amortize the works within 50 years.

Arizona and Nevada were supposed to get payments in lieu of taxes, and the interested Upper Basin States were to get projects within their borders as a result of excess earnings. Regarding these state benefits, the Committee report states, after mentioning the factors that determine the cost of competitive energy:

All of these factors have a present trend, indicating that the cost of competitive energy will be much less than the current rate for energy at Boulder. . . . Almost certainly there will be no excess revenue.

So, the Act has been amended. Arizona and Nevada will now receive annual payments in lieu of taxes, and the Upper Basin States will receive a fixed annual allotment for future development. The federal treasury takes its place at the end of the line of those waiting for a share of the proceeds from Boulder power, proceeds that are dictated by the cost of competing fuel power rather than the "cheapness" of water power.

The country has heard a great deal in recent years about the cheapness and the great public benefits of water power. Most everyone will agree that this

"power of falling water" should be put to beneficial use whenever it is economical to do so. It is important, however, that the people understand and bear in mind the limitations, both natural and economic, upon the use of water power. In the first place, water has other and more important uses than its use for power. Second, as experience has repeatedly shown, water power can best be used in combination with fuel power.

Third, it might be added that the existing power systems, privately owned, can readily absorb all by-product water power that the federal Government, through its river improvement and dam construction program, can make available and pass any economies or "cheapness" on to the consumers.

Government kept its power sites

HOW porous are the representations that private use is against the public interest, a glance at the record will convincingly reveal. Since 1920, when the Federal Water Power Act was passed, no water power site could be developed by either private or public agencies without a federal license. Such a license was designed to prevent monopoly and exploitation of water power sites and to protect the people's interest in water power resources.

Contrary to frequent allegations, never, since the passage of the Water Power Act, has the federal Government disposed of its water power resources. Only the right of use of these resources is licensed to either public or private agencies. Basic authority and control remain in the federal Government. Ever since the turn of the century, water power development has required some form of federal permit or an act of Congress. In a few instances, Congress did grant a right in perpetuity to a water power site, but even these would seem to have been a privilege of Congress rather than a "grab" or exploitation.

The power strength of America does not lie in water power, by-product or no by-product. It lies mainly in our fuel supply. This country has 43 per cent of the world's coal resources, 64 per cent of the world's oil production, and only five per cent of the world's water power resources. The potential energy in all the undeveloped power sites in the United States would satisfy only one-fourth of the nation's present energy need. Our present use of the energy in falling water amounts to but four per cent of our annual energy consumption.

In the name of national defense and national security, let this country hold fast to a sound power policy in which dependability and flexibility in power supply have their proper place and where "cheapness" is something more than the bookkeepers' sleight of hand.

Finally, the nation's electric power supply, whether private or public, is of such national significance that it should stand in its own right, subject to appropriate government regulation, and not be so hitched to other "purposes" and so subordinated to "by-products" of one kind or another as to endanger the country's safety.

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BEFORE YOU BUILD—

OR EXPAND YOUR PRESENT PLANT, GET THESE FACTS ABOUT THE ADVANTAGES OF ILLINOIS



The factors which make possible profitable operations for many industries in Illinois may make this State the logical location for your new plant, branch plant, warehouse, or distributing center. Illinois is the "business cross-roads" of the Nation, closer to the center of population, center of industry, center of agriculture, geographical center and sources of more raw materials than any other industrial State. You can improve your service and cut production and distribution costs in Illinois.

Investigate the ADDED PROFIT POSSIBILITIES of a plant or branch plant in Illinois, where you pay NO State Income Tax, NO State Machinery Tax, and NO State Real Estate Tax.

Special Confidential Report for Executives

Write the Illinois Development Council in Springfield, today, for detailed information on the labor and raw material supply, transportation and power facilities, fuel and water, housing facilities, and available buildings and plant-sites, as they apply to your business.

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ILLINOIS DEVELOPMENT COUNCIL
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FACTS

MARKETS. Illinois is the center of the huge Middle West Market, with 50,000,000 population within overnight shipping radius.

EQUIPMENT. Illinois is the second largest metal-working State of the Nation, assuring manufacturers located here of adequate stocks and rapid deliveries of machines, tools, parts.

LABOR. A large labor supply, noted for its stability, and skilled in a wide variety of trades and occupations.

POWER. Power facilities ample for today's needs and geared to tomorrow's requirements, serve all Illinois in a vast interlocking system.

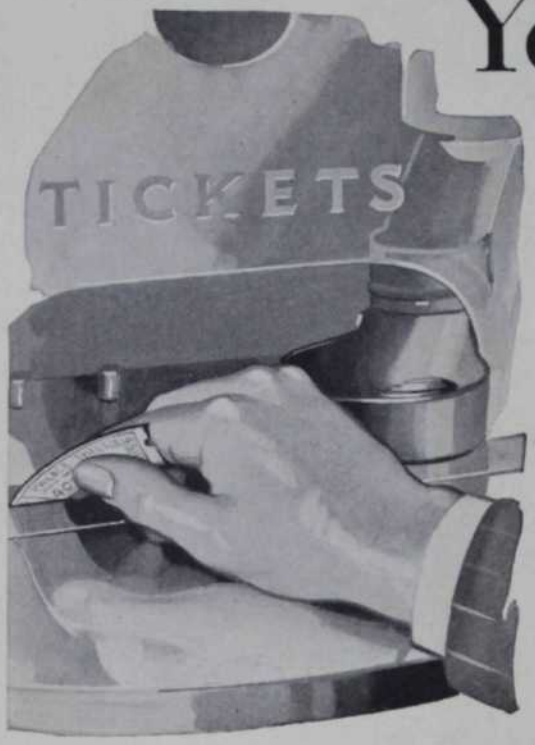
TRANSPORTATION. Illinois is the hub of rail and air transportation, and has the finest highway system in the Nation. Many important manufacturing centers are served by both the Lakes-to-the-Gulf Waterway, and the Great Lakes-St. Lawrence Waterway.

FUEL. Illinois is the third State in the Union in bituminous coal production and third in oil production, assuring ample fuel supplies at low transportation cost.

WATER. Abundant water supplies are available from eight great drainage basins in Illinois. Analyses showing flow of surface waters, underground supplies, and mineral content of water for any locality can be obtained on request.



FAMILIAR ACTS THAT MARK A BETTER WAY OF LIVING



You take in the Movies ,, or take up this Glass



You say, "Let's go to the movies," and you never have to go far,—for the movies have come to you. You want ice-cold Coca-Cola, and you find it... around the corner from anywhere. Having pleasurable things within easy reach is one of the things that make America what it is.

At one short time there was only one place where you could enjoy ice-cold Coca-Cola,—a drug store in Atlanta. As years rolled 'round, millions made it their favorite refreshment,—at soda fountains, at familiar red coolers, and in cartons. *The pause that refreshes* with ice-cold Coca-Cola had become America's favorite moment.

And dealers discovered something, too, about Coca-Cola. It can be summed up in that little word business uses so often,—"turnover." A few dollars invested in a small stock turning over constantly to make more and more dollars. A fair and square profit on a few dollars invested,—the sweetest music a merchant knows. That's another reason why this 5¢ drink is never far from where you are.

Drink Coca-Cola Delicious and Refreshing

5¢

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Your desire for its quality and years of work have made Coca-Cola the drink everybody knows... and have made *the pause that refreshes* America's favorite moment.



COLOR SELLS!

Especially when combined with the many additional advantages offered by Bakelite Plastics

BAKELITE PLASTICS, with their rich lustre and sparkling colors, in transparent, translucent, and opaque effects, have increased the salability of an impressive variety of consumer goods. Illustrated here are a few examples of what has been accomplished in the Red Hue alone. In every case, Bakelite Plastics have contributed a number of important merchandising advantages in addition to attention-compelling color.

The radio cabinet of Bakelite Cast Resinoid possesses gem-like beauty and depth of color which will remain unaffected by constant handling. The transparent hairbrush made from the same material is sanitary and promotes cleanliness since it will withstand repeated washing.

The housings of maroon Bakelite Phenolic material for both electric shaver and massager gain light weight, compactness, electrical insulation and heat resistance.

Ability to retain its brilliant color despite the corrosive action of salt water indicated the choice of a "Vinylite" plastic for the fishing lure.

For sturdy playthings such as the ocarina and cap-pistol, Bakelite Cellulose-Acetate contributes unusual toughness to withstand rough handling, in addition to exceptional lustre and vivid color.

Investigate the many-sided benefits of color-styling with Bakelite Plastics. Also, write for illustrated booklet 25P, "New Paths to Profits", a Businessman's Guide to Modern Plastic Materials.

BAKELITE CORPORATION
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PLASTICS HEADQUARTERS

"IT'S THOSE EXTRA MILES PER HOUR THAT COUNT WITH ME"

says WILBUR SHAW—
3-Time Winner of the
500-Mile Speed Classic

"AND IT'S THOSE EXTRAS OF SLOWER BURNING I LIKE ABOUT CAMEL CIGARETTES"

Copyright, 1940, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.



SLIPPERY TURNS at 120 miles per hour! Hub to hub duels at 150! For 500 blistering, nerve-wracking miles—laboratory equivalent of 50,000 highway driving miles. Yes, it's America's most thrilling classic of auto speed. It's also a proving ground of your safer and more efficient car of tomorrow. For the aerodynamic design, high-compression motor, the safety glass of your car today had their testing at the hands of these daring men. And, three times, Wilbur Shaw (*above*) has come through with the extra degree of mechanical perfection—the extra daring and extra skill—that wins. He *has* the *"extras"*... he *appreciates* the extras... in cigarettes, too. Wilbur Shaw smokes Camels.



CAMELS BURN SLOWER AND GIVE ME THE EXTRA MILDNESS AND EXTRA FLAVOR I WANT FOR STEADY SMOKING. CAMELS EVEN GIVE ME EXTRA SMOKING

WITH WILBUR SHAW—with millions of others—the "extras" in slower-burning Camels are the difference between just smoking and smoking pleasure at its best. Cigarettes that burn fast, burn *hot*. And that excess heat destroys flavor. Light up a *slow*-burning Camel ...and get the "extras"—*even extra smoking* (see right).

EXTRA MILDNESS
EXTRA COOLNESS
EXTRA FLAVOR

In recent laboratory tests, CAMELS burned 25% *slower* than the average of the 15 other of the largest-selling brands tested—slower than *any* of them. That means, on the average, a smoking *plus* equal to

5 EXTRA SMOKES PER PACK!



GET THE "EXTRAS" WITH SLOWER-BURNING

CAMELS

THE CIGARETTE OF COSTLIER TOBACCOS